



Sustainability Report 2015

VONOVIA



Contents



01-05

Editorial – 02
About This Report – 04

06-89

01 - A Long-Term Path – 07
02 - Satisfied Customers – 33
03 - A Sustainable Portfolio – 51
04 - Resource-Conserving Processes – 67
05 - A Sense of Community – 75

90-103

Key Figures & Information Navigator
Environmental and Employee Key Figures (GRI G4) – 91
GRI Content Index – 97
EPRA Sustainability Performance Index – 103

104

Contact

Vonovia



Vonovia is Germany's leading real estate company. To us, being leading does not only mean we have real estate nationwide and a total of about 350,000 apartments.

Market leadership goes hand in hand with responsibility – responsibility towards the approximately one million people who live in our properties and towards our other stakeholders.

In order to live up to our responsibility, we focus on the following questions: How can we make housing affordable over the long term? What services do tenants need to feel at home? How can we keep ancillary costs low and make our apartments more energy efficient? And how can older people stay in their apartments on their own for as long as possible? Our holistic approach helps us find suitable answers to these questions.

01 – A Long-Term Path

02 – Satisfied Customers

03 – A Sustainable Portfolio

04 – Resource-Conserving Processes

05 – A Sense of Community

Ladies and Gentlemen, Dear Readers,

G4-1

There are few issues that are more fundamental to the day-to-day lives of people than housing. And this is for a simple reason: Everyone needs a home in which he or she feels comfortable – and normally this is not just for a few weeks, but rather for years or even decades. Due to this long-term aspect, the issue of sustainability has a special significance for the housing industry.

As Germany's largest residential real estate company with more than 350,000 units and about a million customers, we bear a special responsibility. To customers, but also to society and our shareholders. In order to live up to this responsibility, we integrate economic, ecological and social considerations into our business decisions. We look into developments and trends and engage in

comprehensive discussions with various stakeholders. As a result, we can make decisions that ensure the long-term viability of our company.

The tasks facing companies in the housing industry are varied: Cities are changing as a result of growing populations, the demand for homes is increasing, the cost of living is rising for tenants and demographic change is transforming social structures. In addition, expectations regarding climate change are increasing for real estate companies. The reduction of CO₂ emissions is a stated goal of the German federal government: Greenhouse gas emissions should be reduced by at least 40 % by 2020 and by 80 % to 95 % by 2050 relative to 1990. With our comprehensive approach, we are making a contribution to meet these social challenges: We are investing in the energy-focused modernization of our units in order to increase their energy efficiency and reduce their ancillary costs. By investing in accessibility, we are enabling older tenants to remain in their homes for a long time. In order to meet the high demand for housing, we are investing in the new construction of multifamily residences. In the process, we are placing particular emphasis on densification and vertical expansion in order to create homes where they are especially needed: in the city centers. And with our efficient processes and our high degree of standardization we are ensuring that homes remain affordable for our customers.

This spring, we decided to publish our first sustainability report during the current year – before legal requirements come into effect. We are using the report to sketch a comprehensive picture of our company's performance for our stakeholders and to show how we are implementing sustainability in our core business. In the process, we are following the provisions of the Global Reporting Initiative GRI 4 as well as the EPRA Best Practice Recommendations on Sustainability Reporting.



Rolf Buch,
Chief Executive Officer

“What we initiate today must still be around 30 years later. This is what sustainability means to us.”

However, this report also serves as a comprehensive status assessment following numerous small and large mergers in recent years. We intend to build upon this foundation in the coming years and gradually expand our reporting. [G4-1](#)

Bochum, Germany, October 2016

Sincerely,
Rolf Buch

About This Report



G4-17, G4-18, G4-28, G4-30, G4-32, G4-33



The strength of a sustainability report lies in capturing a company in all its facets, connections and interactions.

*This is precisely what is important for Vonovia:
We want to report on our business model in a transparent and comprehensive manner so that the people around us understand our approach.*

Our First Sustainability Report



Our first sustainability report is appearing prior to the legal obligation to disclose non-financial information in accordance with the corresponding EU guideline, which enters into effect in 2017. With it we would like to convey to our employees, customers, shareholders, business partners and our stakeholder groups in society that we value sustainability aspects throughout our value chain and are integrating them into our company's decisions.

With this report, we are setting out:

It is a status assessment upon which we would like to build in the coming years and further develop our reporting. The report describes our company's performance based on financial and non-financial information. Financial information includes disclosures about our business model, corporate goals, business development in 2015 and selected financial key figures. For additional information on this, we refer to our 2015 Annual Report. The non-financial aspects involve the social and ecological dimensions of our company.

ABOUT THIS REPORT

This report follows the G4 guidelines of the Global Reporting Initiative (GRI), including industry-specific disclosures for construction and real estate. In our view, it fulfills the “core” option [G4-32](#). In addition, we are following the EPRA Best Practice Recommendations on Sustainability as well as the Code of Conduct of the ZIA Zentraler Immobilien Ausschuss e.V. (German central real estate committee). An independent third party has not conducted an external review of the report’s contents [G4-33](#). In the future, Vonovia’s Sustainability Report is intended to be published annually [G4-30](#).

Contents and Structure



In preparing this report, we have gathered relevant topics for the sustainability of our business activities and validated their relevance by means of expert discussions and interviews with corporate functions, which are involved in a daily exchange with relevant stakeholders [G4-18](#).

The thematic focus is on the areas of corporate governance, society and customers, the environment and employees. The report is structured according to our sustainability activities, which reflect the material economic, social and ecological aspects for Vonovia SE.

Report Parameters



The reporting period encompasses the 2015 fiscal year (Jan. 1, 2015 to Dec. 31, 2015) [G4-28](#). Unless stated otherwise, the calculated key figures as well as qualitative information relate to this time period and encompass the entire Vonovia Group [G4-17](#).



A Long-Term Path



08-17

*The Company – Vonovia Combines Social
Responsibility and Business Interests*

18-23

*Sustainability Management at Vonovia – Social
Developments Shape Our Approach to
Sustainability*

24-27

*In Dialogue With the Stakeholders – Continuous
Exchange Contributes to the Company’s
Development*

28-31

*Governance and Compliance – Integrity and
Transparency Strengthen Trust in Vonovia*

The Company



G4-3, G4-4, G4-5, G4-6, G4-7, G4-8, G4-9, G4-13, G4-14,

G4-16, G4-34, G4-56, G4-EC1, G4-EC3



We provide our customers affordable residences offering real quality of life as well as innovative, housing-related services from a single source. The manner in which we implement our business model makes us a company operating according to sustainable principles because we have found a way to link two apparently competing goals over the long term: the assumption of social responsibility and the pursuit of business interests. The following view inside our company and its business model shows what we mean by this.

Vonovia: The “Home” Company

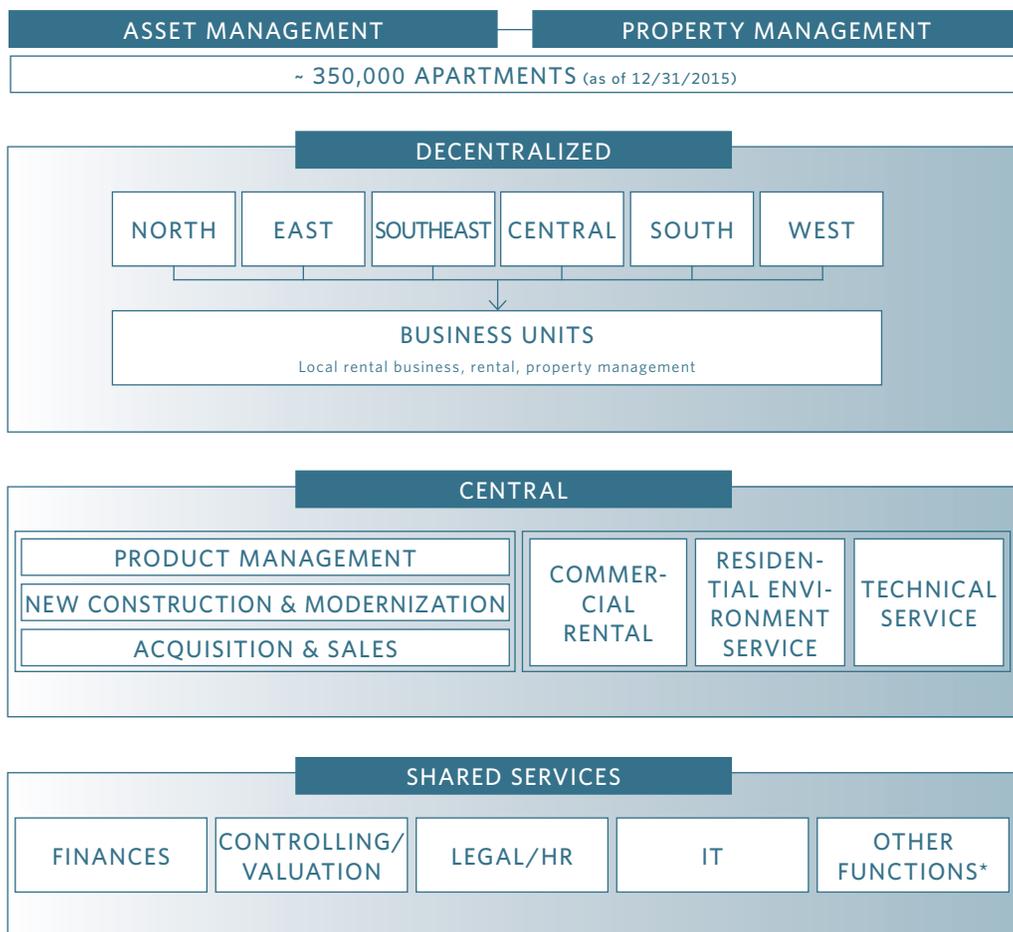


Vonovia’s roots are in non-profit housing construction. We are now Germany’s leading real estate company, managing a portfolio of more than 350,000 of our own residential units in approximately 770 cities and municipalities. As a result, we provide homes to more than a million people. Through efficient management, we can offer our customers a combination of affordable homes and modern services while at the same time acting as a reliable partner for public-sector interest groups and investors with a long-term focus. Vonovia operates exclusively in Germany.

G4-4, G4-6, G4-8

The size of our company brings with it a great deal of responsibility. We intend to live up to this responsibility by taking care of our neighborhoods as well as our units and setting trends for the housing industry by bringing in new ideas. In order to achieve the latter, we contribute to society in various ways at the political, social and economic levels: for example, as an advocate within the scope of association work, as a sponsor via our foundation activities (— AR 2015, p. 100) or as an initiator of municipal neighborhood development projects (see p. 62 et seq.).

CORPORATE STRUCTURE



* other shared services areas: audit, UKOM, central purchasing, insurance, investor relations, accounting, taxes

Our company has been listed on the stock exchange since 2013 and its shares have been traded in the DAX 30 index since 2015.

Corporate Structure



Vonovia is based in Germany. Its registered office is in Düsseldorf, while corporate headquarters are located in Bochum. The parent company, Vonovia SE, performs the function of the management holding company for the Group. As such, it is responsible for determining and pursuing the overall strategy, implementing it in the form of the company's goals and performing property management,

financing, service and coordination tasks for the Group. — AR 2015, p. 84 [G4-3](#), [G4-5](#), [G4-7](#)

The company is directed by a Management Board, which is responsible for conducting business and developing the Group's strategy. Implementation occurs in close coordination with the Supervisory Board, which is regularly briefed by the Management Board regarding the development of business, strategy and potential opportunities and risks. The Supervisory Board oversees the activities of the Management Board. [G4-34](#) →

VONOVIA IN FIGURES (DEC. 31, 2015)

G4-6, G4-8, G4-9



ON SITE

In 16 federal states
and 770 cities
and local communities



UNITS THAT ARE MANAGED FOR OTHER OWNERS

41,000



OWN RESIDENTIAL UNITS

357,000



EMPLOYEES

6,368



GARAGES AND PARKING SPACES

90,000



RENTAL POINTS AND CARETAKER OFFICES

- 270



COMMERCIAL UNITS

3,400



CUSTOMER CENTERS

2

IMPORTANT KEY FIGURES (DEC. 31, 2015)

G4-9

IN € MILLION

ADJUSTED EBITDA

1,029.1

FFO₁ (OPERATING PROFIT OR LOSS)

608.0

FAIR VALUE OF THE PORTFOLIO

24,157.7

NET ASSET VALUE

13,988.2

EQUITY RATIO IN %

38.3

LOAN TO VALUE IN %

47.3

MONTHLY IN-PLACE RENT IN €/m²

5.75

VACANCY RATE IN %

2.7

— Additional key figures in the 2015
Annual Report of Vonovia SE [G4-EC1](#)

SELECTED MEMBERSHIPS IN INDUSTRY ASSOCIATIONS AND INITIATIVES

G4-16

AGV Arbeitgeberverband der
Deutschen Immobilienwirtschaft e.V.

AGW Arbeitsgemeinschaft
Großer Wohnungsunternehmen

Bundesverband Freier Immobilien-
und Wohnungsunternehmen e.V.

Deutscher Verband für BFW Wohnungswesen,
Städtebau und Raumordnung e.V.

DDIV Dachverband Deutscher
Immobilienverwalter e.V.

DIRK Deutscher Investor Relations
Verband e.V.

EPRA European Public Real Estate Association

GdW Bundesverband deutscher Wohnungs-
und Immobilienunternehmen e.V.

Initiative Corporate Governance
der Deutschen Immobilienwirtschaft e.V.

ZIA (Zentraler Immobilienausschuss) e.V.

OTHER MEMBERSHIPS

Initiativkreis Ruhrgebiet

InWIS Forschung und Beratung -
Förderverein e.V.

Verein der Freunde und Förderer der
EBZ School e.V.

→ Vonovia's core operating business is divided into six business areas. These are split into business units, each of which is responsible for an average of around 9,300 housing units.

Changes in Size, Structure and Ownership Structure During the Reporting Period



Due to three major acquisitions GAGFAH, Franconia and SÜDEWO, our portfolio grew significantly in 2015: The number of our own residential units increased significantly in comparison to the reporting date by 75.9% to 357,117 units, while the total number of managed units increased by 71.3% to 397,799.

All three portfolios were fully integrated legally and organizationally into our structures and processes over the course of the year. In the process, Vonovia's portfolio characteristics were fundamentally preserved, while portfolio quality improved slightly and Vonovia's Germany-wide presence expanded.

The number of employees at Vonovia increased significantly during the reporting period as a result of the integration of the acquired companies and an increase in employees working for the craftsmen's organization: As of December 31, 2015, Vonovia had 6,368 employees (Dec. 31, 2014: 3,850). [G4-13](#)

Even after the acquisitions, the vast majority of the shares were in free float (92.16%). In accordance with our long-term focus, the largest individual shareholders are institutional investors like pension funds and other funds with a similarly long-term focus. — AR 2015, p. 102 [G4-7](#)

An Ambitious Mission Statement Provides Day-to-Day Guidance



We are responsible for many stakeholder groups (see also p. 24 et seq.). The principal stakeholders are our customers, our shareholders and our employees. In order to live up to their expectations and our expectations of ourselves, in the last two

years we have developed binding principles for our conduct within the framework of a comprehensive mission statement process. — AR 2015, p. 84 et seq. [G4-56](#)

Our Goals: Satisfied Customers and an Improved Reputation



We are a company that operates economically. As such, we want to increase the value of our company in a sustainable manner. We achieve this primarily through organic growth. This is the reason why we are improving our performance and developing new sources of income. Furthermore, we develop our real estate portfolio through targeted acquisitions and sales.

The focus of our business activities is on customer satisfaction. It is the foundation of our success. Therefore, we work daily on maintaining and deepening contact with our customers: by means of affordable rents, a high degree of availability and modern, innovative ancillary services that we can offer our customers due to our business model.

The second goal is achieving a good reputation. As a result of our size, we are visible to the market and are held accountable for cooperating in finding solutions to current challenges. We can do this best when we enjoy the trust of our stakeholders. — AR 2015, p. 85 et seq.

Our Corporate Strategy

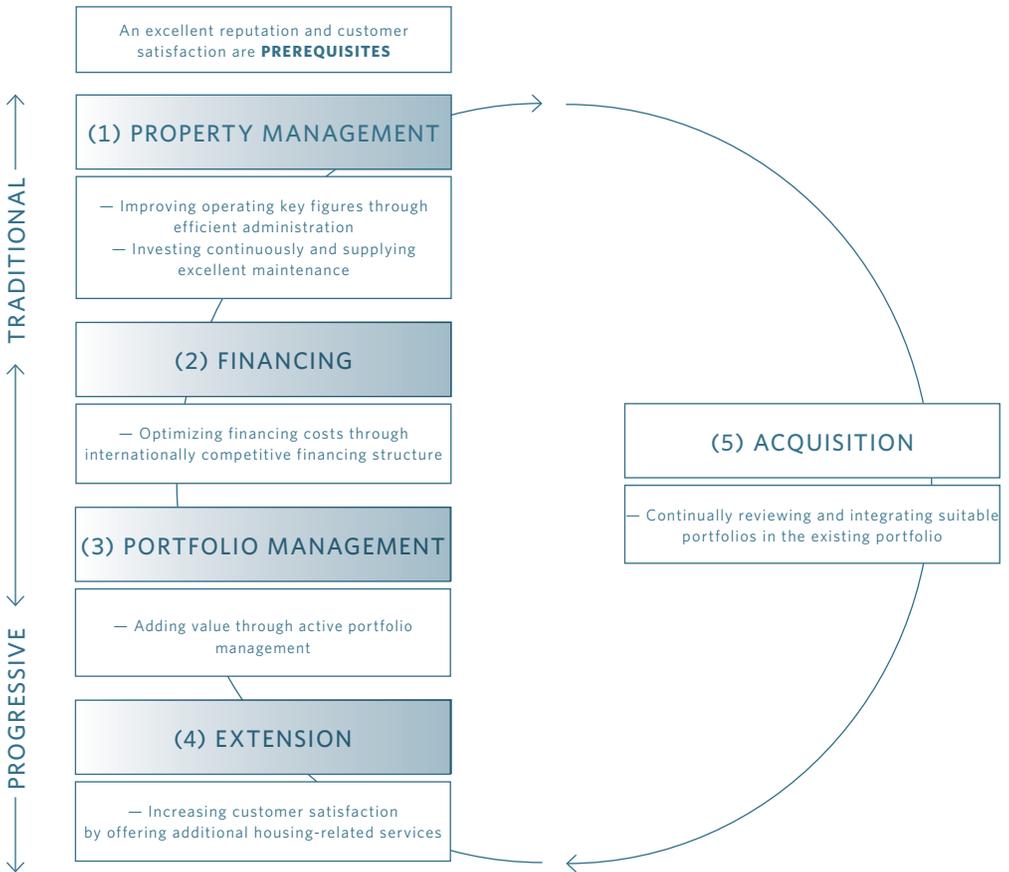


Vonovia pursues a unique business model in the real estate market, which is multi-layered and implemented via our corporate strategy.

Our corporate strategy is based on four fixed pillars and an optional addition. The reputation of our company and the satisfaction of our customers establish the basis for the success of our strategy.

- (1) Property Management: improvement of operating key figures through efficient property management, continuous investments and above-average maintenance

REPUTATION AND CUSTOMER SATISFACTION: THE FOUNDATION OF OUR STRATEGY



- (2) Financing: optimization of financing costs through an internationally competitive financing structure
- (3) Portfolio Management: optimization of building stocks by way of investments, tactical acquisitions and sales
- (4) Extension: increasing customer satisfaction by offering additional housing-related services

The acquisition strategy is our fifth strategic lever, which is intended to amplify the impact of the four partial strategies. Specifically, this means: We do not want to grow primarily through acquisitions. Acquisitions are made

only if they increase value and accelerate the impact of the first four strategic approaches.

- (5) Acquisition: The ongoing review and integration of suitable portfolios into the existing portfolio in order to accelerate growth levers 1 to 4.

Along with our corporate size, this broad strategic approach provides us with a significant competitive advantage: We are not just a landlord for our customers, but we can also very efficiently provide them with all kinds of very high-quality, housing-related services.

— AR 2015, p. 86 et seq. →

OUR MISSION STATEMENT

G4-56

OUR MISSION

WE PROVIDE PEOPLE
WITH A HOME.

We offer our customers affordable homes that meet their needs along with housing-related services and reliable customer support.

A high level of customer orientation and a scalable business model make us the quality leader in our market.

Homes form the basis of our business, which we are constantly enhancing through our expertise and financial strength.

WE ARE SETTING TRENDS IN THE HOUSING INDUSTRY.

OUR VISION

CUSTOMERS

“Vonovia offers more than just a residence – a home for me and my family. I can count on it to be there when I need it.”

EMPLOYEES

“Vonovia is my company. Team spirit, a long-term focus, a culture of appreciation and continual new challenges.”

CAPITAL INVESTORS

“Vonovia provides me with sustainable and adequate yields.”

SOCIETY

“Vonovia acts in a manner that is socially, ecologically and economically responsible and keeps its promises.”

SUPPLIERS

“Vonovia is a discerning and fair partner.”



HELD IN HIGH ESTEEM AS A FORCE SHAPING THE HOUSING INDUSTRY BY ALL OUR PARTNERS.

→ How We Manage Our Company



The management of our business is based on the strategic approaches of our company and is conducted via the Rental, Extension and Sales business segments.

The Rental segment combines all of the business activities that are aimed at the value-enhancing management of our properties.

Given the scale that our housing-related services have now reached and in order to promote our strategy of business expansion (Extension strategy) beyond our core Rental business, in 2015 we bundled and separately reported our activities in this area for the first time in the new Extension segment. The new segment comprises:

- Our craftsmen’s organization
- Our organization for the upkeep and maintenance of the residential environment in which our properties are located
- The provision of a cable TV connection to our tenants
- Condominium administration for own apartments and for the apartments of third parties
- Metering services for measuring the consumption of water and heating
- Insurance services for own apartments and for the apartments of third parties [G4-4](#)

The Sales segment bundles all real estate sales from our portfolio. It focuses on the targeted sale of apartments, buildings and subportfolios that do not fit into our property management strategy or can be better managed in a different context for other reasons.

At the key figures level, we manage our company via industry-standard financial and non-financial key figures. In particular, they are:

- Net asset value (NAV), meaning real estate assets without liabilities
- Funds from operations (FFO 1), meaning profit from operations after current interest and taxes
- The customer satisfaction index (CSI)
- At the segment level, EBITDA adjusted

to eliminate specific effects that do not relate to the period, are non-recurring or do not relate to the objective of the company

In addition, for management we take into account operating key figures like vacancy rate, the targeted rent increase and production performance (aggregate operating performance minus subcontractor and material costs) or important financial key figures like the loan-to-value ratio. Our NAV calculations are based on the recommendations of the European Public Real Estate Association (EPRA). — AR 2015, p. 104 et seq.

Risk Management: Vonovia in a Stable Position

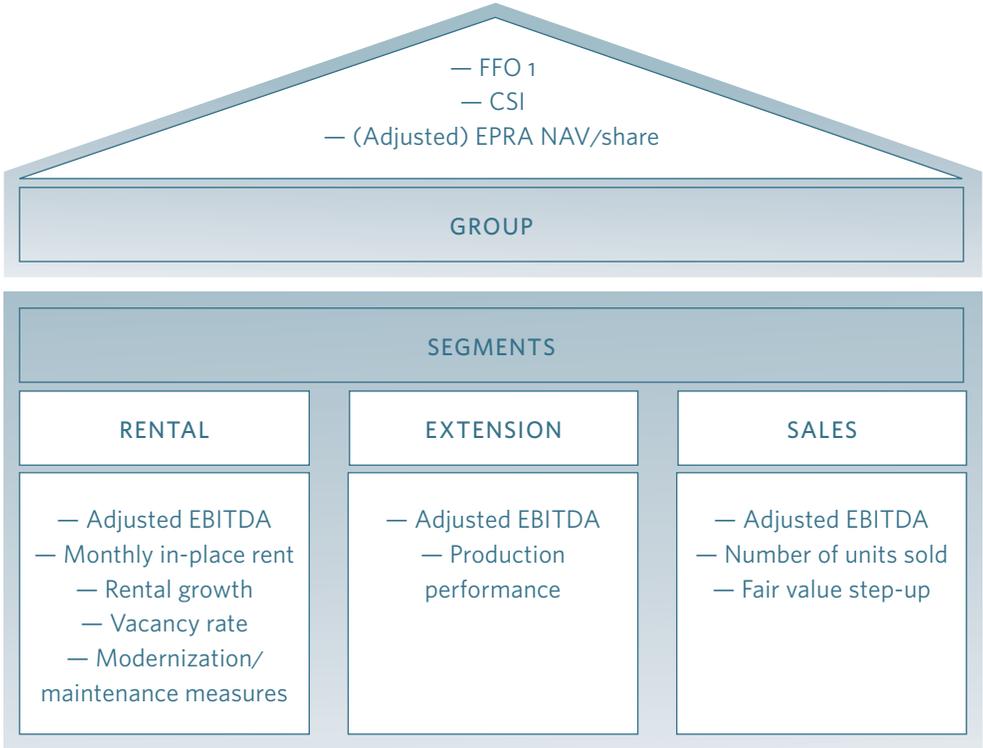


Like any success-oriented and responsible company, we engage in comprehensive risk management. Organizationally, this function is assigned directly to the Management Board, which regularly monitors its effectiveness. Vonovia’s risk management is conducted by means of an integrated management approach:

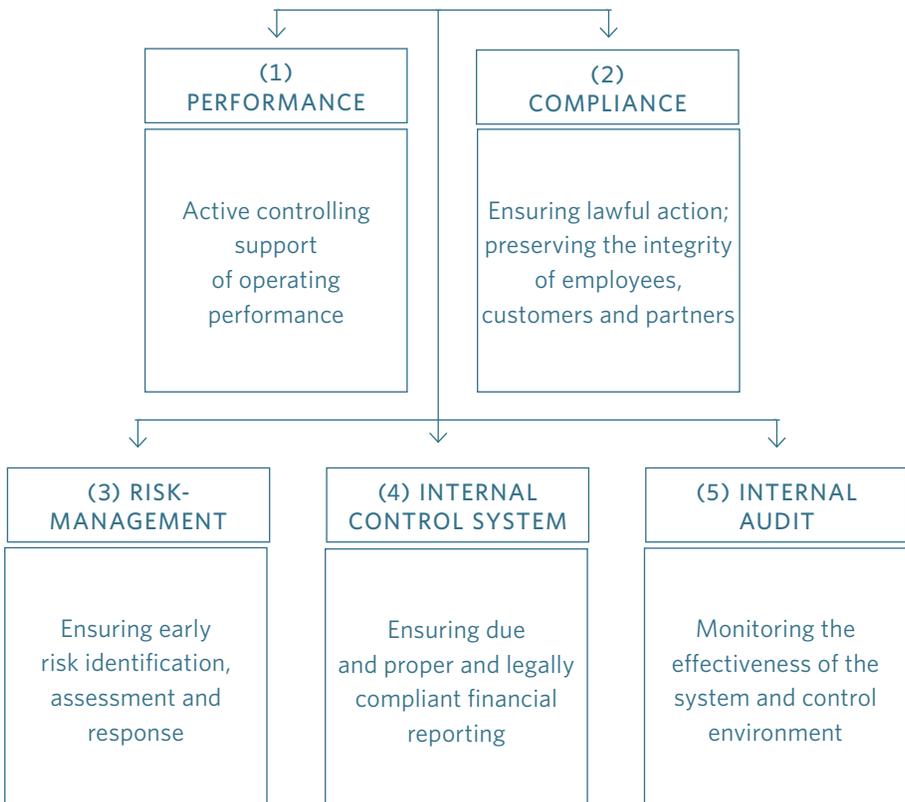
- (1) Performance
- (2) Compliance
- (3) Risk management
- (4) Internal control system
- (5) Internal audit

In the course of annual reporting, Vonovia provides a detailed explanation of its risk situation to external parties. In the spirit of transparency, the Management Board publishes a qualified list of “top 10 risks.” Overall, Vonovia is in a stable position and does not consider itself exposed to going concern risks. — AR 2015, p. 134 et seq. [G4-14](#)

PERFORMANCE INDICATORS



RISK MANAGEMENT



Sustainability Management at Vonovia



G4-2, G4-18, G4-19, G4-20, G4-21, G4-34, G4-EC2



We examined our core business last year from the sustainability perspective of the Global Reporting Initiative (GRI). We identified aspects that are important to us in connection with our business activities and about which we would like to report in a structured manner in the future. Over the course of the next few years, we will further expand and refine our reporting. This also includes setting specific targets in connection with our operating business and adding sustainability-related key figures to our existing key figures.

Our Understanding of Sustainability



We have focused our attention on the long-term, stable economic development of our business. This requires, first and foremost, maintaining the value of our real estate portfolio and keeping our performance promise to our customers. On this basis, we are achieving the targeted increase in value for our company and long-term growth.

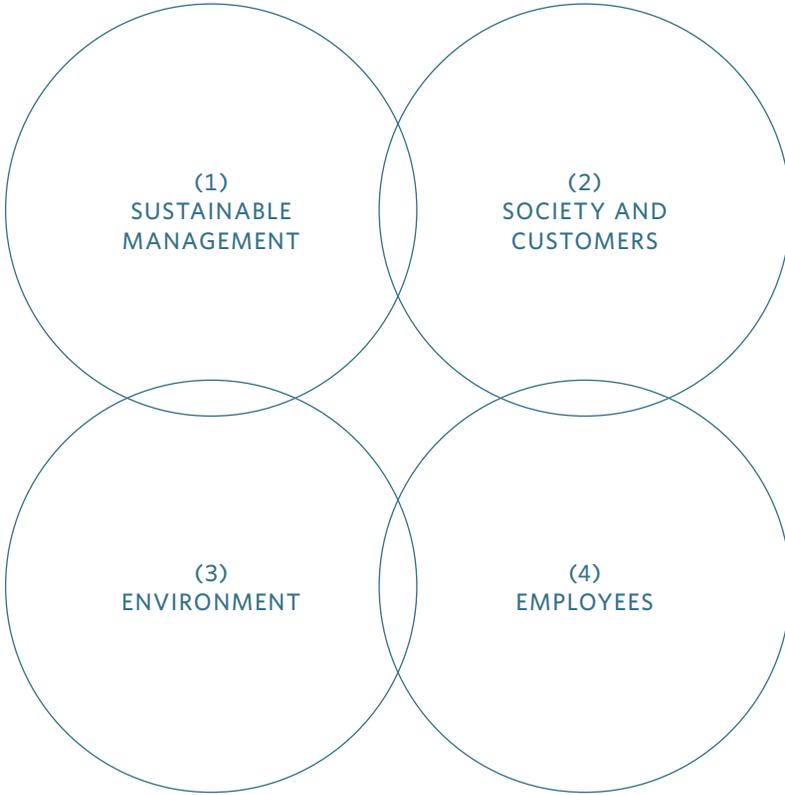
A special responsibility results for us as a company from the object of our business: the renting of affordable homes. We want to live up to this in a comprehensive manner. For

Vonovia, the commitment to social responsibility is consistent with our goal of long-term value creation.

The key criterion for our business decisions is the long-term satisfaction of our customers. In addition, we are in close contact with other stakeholders, engage in discussions with them and take their interests into account.

Vonovia undertakes extensive efforts to maintain and develop existing properties (maintenance, modernization, construction). In particular, this includes measures to

VONOVIA SUSTAINABILITY PARAMETERS



improve the energy efficiency of apartments, by which we simultaneously make a significant contribution to climate protection. Well-insulated apartments increase efficiency, while simultaneously reducing ancillary expenses for our customers. Compliance with the regulatory requirements of environmental, energy and rental law is always a material component of our business processes.

By its very nature, our business model deals with very long-term planning horizons: Properties are used for well over 50 years, while maintenance and modernization investments must pay off over the course of 15 to

30 years. This means that we must carefully weigh our decisions, analyzing in detail potential long-term developments (see p. 20 et seq., p. 54 et seq.).

For Vonovia, housing does not end at the front door: A nice environment is part of a good residential atmosphere. Therefore, together with other actors, we become involved beyond our building stock and set trends with cities, companies and city planners, as well as with associations, initiatives and, last but not least, with our local customers for the development of entire neighborhoods. →

ENVIRONMENTAL DEVELOPMENT

G4-2, G4-EC2

ENVIRONMENTAL
DEVELOPMENTS
RELEVANT TO
VONOVIA'S BUSINESS

HOW WE PREPARE FOR THEM



SOCIAL CHANGE

The demand for
affordable housing
is increasing.

Through efficient property management, we are keeping our costs low so that the rents remain appropriate. At the same time, we build new homes where suitable opportunities emerge.

Social contrasts
are increasing.

We ensure a pleasant residential neighborhood through active neighborhood management. With new rentals, we pay attention to a "healthy" mix. Through the work of our foundation, we support socially disadvantaged groups.

DEMOGRAPHIC CHANGE AND MIGRATION

The share of the older
population is growing.

We are intensifying our efforts to make conversions suitable for the elderly and are investing half a billion euros in this area by 2020.

More and more people
want to move from the
countryside to the city.

Through densification and vertical expansion, we are creating additional living space on our land and in our existing buildings.

More and more people
are moving to Germany.

We are adapting our services/offers to the needs of our foreign residents. We speak to them in their language and do our part to integrate them into our society.

ENVIRONMENTAL
DEVELOPMENTS
RELEVANT TO
VONOVIA'S BUSINESS

HOW WE PREPARE FOR THEM

REGULATION

The legal requirements for the real estate industry are increasing.

We are engaged in a dialogue with policymakers and participate in deliberations about a feasible simplification of statutory law.

Energy requirements for real estate are increasing.

Through efficient practices and with the help of volume advantages we are keeping our maintenance and modernization measures financially affordable.

ENVIRONMENT AND CLIMATE

As a result of climate change, ecological costs are increasing.

Thanks to our process efficiency, we minimize environmental costs and impacts to the greatest degree possible, e.g., we reduce our fuel consumption significantly through the central procurement of materials and travel optimization.

Fossil fuels will become scarce over the long term.

We are reducing energy consumption in our apartments through good insulation and new windows. When installing new heating units, we use modern and resource-conserving technologies.

→ In order to ensure our customers good quality over the long term, we perform as many tasks as possible on our own – via well-trained and committed service employees, caretakers, craftsmen and gardeners.

We are currently developing our sustainability management from the aforementioned understanding of sustainability. In the process, we are utilizing experiences from different corporate cultures that have been brought together under Vonovia's roof in recent years.

Establishment in the Company

↓

At the highest level, the Chief Executive Officer of Vonovia SE is responsible for the issue of sustainability. The Supervisory Board supports and monitors the issue in the Strategy Committee.

The operational processing of sustainability-related issues is performed via the staff positions and line functions of Vonovia SE. Those who share responsibility ensure that in the course of day-to-day business the joint arrangements are implemented and goals are achieved. These individuals come from the areas of customer service, the residential neighborhood, product management, process management, HR, procurement, accounting, communication and the craftsmen's organization. [G4-34](#)

During the preparation and creation of the sustainability report, those who share responsibility meet regularly. Independently of this, they hold discussions in a small group if necessary. In the meetings, the participants involve themselves, among other things, with the agreement of measures, the achievement level of targets and the surveying of report-related issues, information and data. External sustainability consulting supports us in the development of our sustainability management and the implementation of systems to survey the required key figures.

As a next step, we are planning the development of a sustainability strategy as well as the definition of corresponding goals and the determination of measures arising from them.

Identification of Relevant Issues and the Selection of the Report's Contents

↓

Vonovia deals in a continuous and structured manner with foreseeable developments in German real estate markets as well as with social and demographic change. Several of these developments are highly relevant to our company and influence our business activities (see pp. 20–21). With our business model, we are preparing ourselves as well as possible.

In view of relevant developments in our environment, we have proceeded as follows in order to determine relevant issues for Vonovia SE's first sustainability report:

1. Separate consideration of the (relevant) requirements of GRI-G4, DNK, EPRA Best Practice Recommendations on Sustainability and ZIA and their application to our company.
2. Conduct of a benchmark analysis (best practice) taking into account German and international competitors.
3. Conduct of expert discussions and interviews with Vonovia functions that are involved in a daily exchange with relevant stakeholders.

Subsequently, the identified issues were consolidated, critically reviewed and prioritized by relevance together with external sustainability experts in a workshop. [G4-18](#)

As a result, the material aspects were summarized by area of activity and underscored by corresponding indicators.

CONSIDERATION OF RELEVANCE

G4-19, G4-20, G4-21

Material issue	Material for			Page reference
	Vonovia/ business processes	Customers/ society	Supply chain	
SUSTAINABLE MANAGEMENT				
Compliance and anti-corruption	x		x	p. 28 et seq.
Long-term growth	x			pp. 8-17, pp. 52-57
Social and environmental standards in the supply chain			x	p. 88 et seq.
SOCIETY AND CUSTOMERS				
Portfolio maintenance	x	x		pp. 52-57
Affordable rents		x		pp. 38-43
Demographic trend	x	x		pp. 40-42, p. 46, p. 57
Sustainable neighborhood development	x	x		p. 62 et seq.
Service quality		x		pp. 34-37, pp. 44-47
Customer health and safety		x		pp. 48-49
ENVIRONMENT				
Waste and water management	x	x		p. 60
Energy efficiency	x	x		p. 55, pp. 58-60
Reduction of greenhouse gas emissions	x	x		pp. 58-60, p. 94 et seq.
EMPLOYEES				
Initial and further training	x			p. 80 et seq.
Occupational safety and health	x			pp. 84-85, p. 87
Work-life balance	x			pp. 85-86

In Dialogue With the Stakeholders



G4-24, G4-25, G4-26, G4-27, G4-S06



As Germany's largest real estate company we are involved in a wide range of relationships with various stakeholders. Our success essentially depends on how well our business processes are adapted to the needs of our stakeholders. Our dialogue with them helps us to address their expectations, recognize potential room for improvement and convert this into specific measures.

A Broad Range of Stakeholders



We are engaged in a regular and mutual exchange with our stakeholders. In particular, they include customers, employees, investors and analysts as well as policy-makers at the municipal, state and federal levels. Additional interest groups are tenants' associations, suppliers and service providers, the media and non-governmental organizations (NGOs). The interactions result from day-to-day issues that link us to the respective stakeholders. The stakeholder groups have different interests with regard

to our company and exert influence on our company. [G4-24, G4-25](#)

Stakeholder Interests: How We Involve Them in Our Business

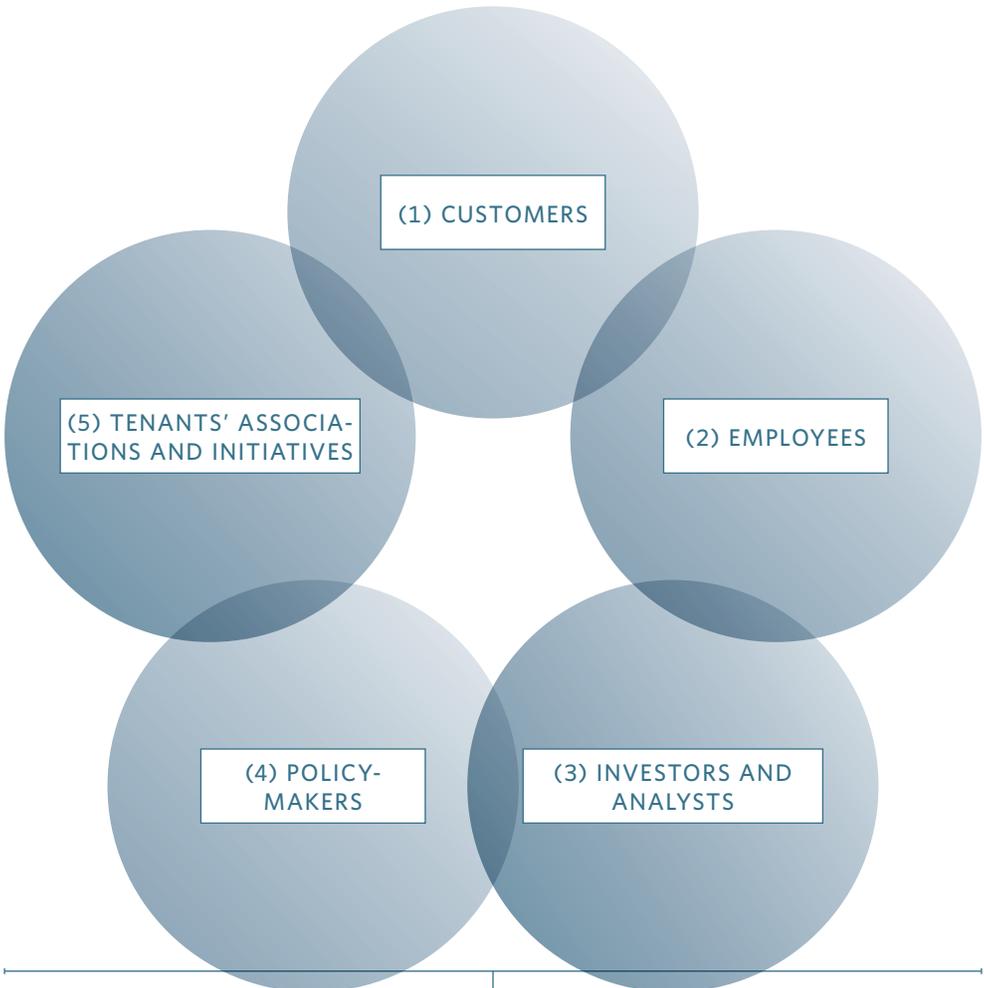


The interests and wishes that stakeholders call to our attention are manifold. However, our business approach basically ensures that all our stakeholders benefit from it since it combines essential economic, social and environmental expectations:

Our customers expect us to answer all questions and complete all tasks involving →

STAKEHOLDER GROUPS*

G4-24, G4-26



HOW WE ARE INVOLVED IN DIALOGUE WITH THEM

(1) Service center, customer hotline, tenant surveys, local offices, caretaker visitor hours
 // (2) Employee discussions, works assembly, works council // (3) IR informational events, presentations, one-on-ones, investor conference attendance, organization of a Capital Markets Day, conduct of roadshows, (quarterly) teleconferences, property tours
 // (4) Individual conversations between Management Board members, regional managing directors and public affairs specialists with policymakers, local events at properties, attendance of company representatives at events with a policy dimension, attendance of company representatives at events of real estate industry associations, close, regular contact between public affairs specialists and those at the political working level
 // (5) Intensive contacts at the local level involving specific cooperation and real issues

Regular and close contact exists with suppliers and service providers, the media, NGOs and the public sphere.

* The order reflects the respective degree of influence of the stakeholders.

→ their housing in an uncomplicated and service-oriented manner. Important issues for them are good availability, responsiveness and a local presence. We want to satisfy these expectations through the good coordination of our central customer service with our own local employees: The employees of our central customer service at the Duisburg and Dresden locations receive more than 10,000 telephone inquiries daily from our existing customers, solving or referring them further. Overall we now support our customers with more than 3,700 caretakers, craftsmen and gardeners. At the same time, we support our customers through numerous service offers, which we continually expand (see p. 44 et seq.).

— AR 2015, p. 03 et seq. [G4-27](#)

Our employees would like an attractive work place with an interesting task profile, an employer who challenges and promotes them and a reliable work environment. With our broad business approach, our employees find numerous opportunities for professional and personal development in an industry offering future security. We offer training in 17 commercial and trade professions, impart knowledge via our own academy and conduct HR development customized to personal needs. We prefer to promote executives from within. In addition, we offer active health management and create possibilities for combining career and family life. All this makes us interesting to our employees as a long-term employer (see p. 75 et seq.). — AR 2015, p. 97 et seq. [G4-27](#)

It is important to our investors and analysts that we successfully implement our business model, which is oriented toward stable growth and a reliable yield, and report on it transparently. We pursue our goals very actively with a broadly based strategy. In recent years, we were able to increase the earnings power of our portfolio significantly through our property management, our portfolio management and the expansion of our Extension activities. In addition to our core business, we also regularly review acquisition opportunities. [G4-27](#)

950

EMPLOYEES

at our service centers handle our customers' requests.

+132 %

INCREASE

in the training rate 2014 to 2015

+112 %

INCREASE

in funds from operations (FFO 1) 2014 to 2015

~4,050

SUPPLIERS AND SERVICE PROVIDERS

are in a business relationship with Vonovia

Policymakers would like us to work with them on issues of neighborhood and urban development and participate as a major market partner in the solution of socially relevant matters such as the rising demand for housing, demographic change or climate change. For this, we engage in regular and comprehensive discussions with political representatives and associations at the municipal, regional and federal levels. We conduct non-partisan discussions with representatives and participate as an opinion leader in forums and events on real estate matters. We also initiate projects of social relevance, such as projects for neighborhood development (see p. 62 et seq.), projects for the inclusion of migrants (see p. 83) or measures to build new housing (see p. 41 et seq.). In addition, the real estate industry is heavily regulated by the legislative branch and must comply with high standards here. In our dialogue with policymakers, we refer to both the positive and negative effects of proposed legislation for our industry. However, Vonovia remains neutral in its political work and has the clear guideline not to make any political donations. The company is similarly prohibited from membership in party or party-affiliated networks. [G4-27](#), [G4-S06](#)

Fair dealings in tenant matters as well as the quick and constructive identification of solutions in case of conflicts are important to tenants' associations and initiatives. We maintain close contact with local tenants' associations. We conduct tenant assemblies and, if necessary, are ready to respond to questions from tenant advocates on a short-term basis. In order to avoid escalations, we thoroughly review the legitimacy of criticism directed at us, if possible. In case of legitimate criticism, we attempt to eliminate any related deficiencies quickly. [G4-27](#)

Our suppliers and service providers expect from us a business relationship conducted on a partnership basis, in which the interests of both sides are adequately taken into account. We are involved in numerous business relationships in commercial, trade and in other industry-related areas. We are bound together by the common interest to deliver very good services for Vonovia, our customers and other partners. We make the principles for our conduct transparent to our partners through our mission statement. In addition, we ensure the success of our collaboration through a Business Partner Code and a Code of Conduct (see p. 28 et seq.). [G4-27](#)

The media expect from us the readiness to communicate and an open communication policy – also regarding matters that in certain circumstances may be unpleasant for our company. We conduct comprehensive public relations and strive to provide information even on short notice. In order to prioritize our communication properly, we continually inform ourselves about issues that influence our environment. We conduct regular press conferences and discussions and are available for interviews regarding relevant issues. In case of crises or disruptions, we endeavor to respond quickly to questions. [G4-27](#)

NGOs and the public sphere would appreciate our economic and operating participation in social issues. As a corporate citizen, Vonovia is directly involved in municipal life since our day-to-day life affects the day-to-day lives of the neighborhood community and vice versa. Accordingly, we cooperate with numerous organizations such as welfare associations or church institutions. We participate in school projects, maintain playgrounds and support sports clubs and social institutions through our three foundations. In addition, we involve public organizations in the development of new services (see p. 46). [G4-27](#)

Governance and Compliance

G4-15, G4-56, G4-SO4, G4-SO7, G4-SO8, G4-PR2

Good corporate governance and adherence to compliance principles strengthen the trust of our shareholders, business associates, employees and the general public in our company.

Corporate Governance: Key Metric for Our Corporate Culture

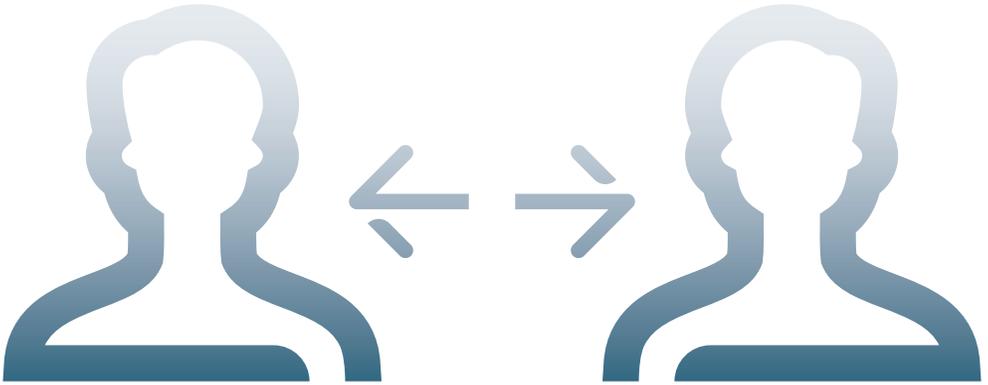


Corporate governance is the responsible management and supervision of a company. Our governance bodies, the Management Board and the Supervisory Board, are thoroughly committed to the principles and ideas of the German Corporate Governance Code (DCGK). It is the basis for the sustainable success of the company and serves us as a guideline for conduct in the company's daily management and business. Every year, the Management Board and Supervisory Board express this by issuing a declaration of

conformity to the DCGK pursuant to Section 161 of the German Stock Corporation Act (AktG), as they did in February of this year.

The Management Board also reports, including on behalf of the Supervisory Board, on corporate governance at Vonovia in the declaration on corporate governance. Both declarations will be permanently published by the company in its annual report as well as on its website for perusal. — AR 2015, p. 74 et seq.

As a large real estate company, we are also committed to the main aims and principles



§

161

German Stock Corporation Act (AktG)

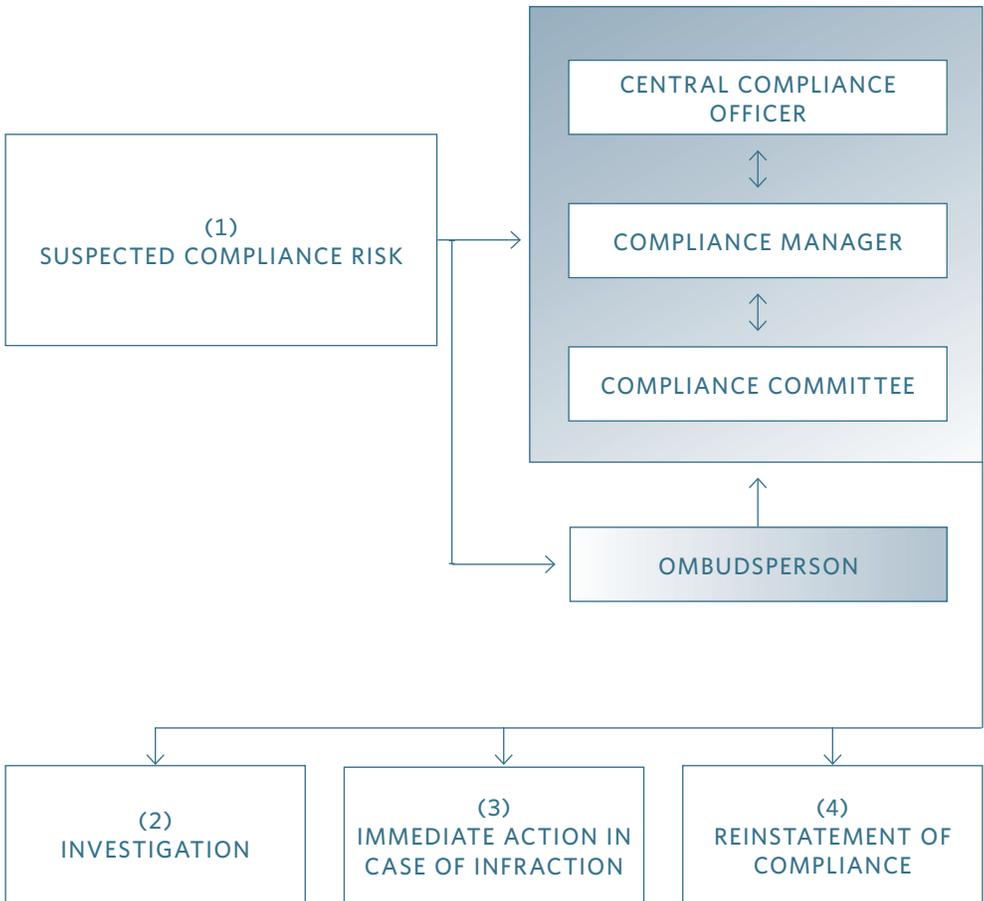
of the corporate governance initiative of the German housing industry, which we have been a member of since November 14, 2003. The initiative supplements the principles of the German Corporate Governance Code to include housing-specific aspects and is committed to even greater transparency, an improved image and a more competitive real estate sector. [G4-15](#)

With a separate Code of Conduct, we provide the ethical and legal framework within which we act. The focus is on dealing fairly with each other but also in particular on dealing fairly with our customers, business

partners and investors. The Code of Conduct specifies how we assume our ethical and legal responsibility as a company and is the expression of our company values. [G4-56](#)

The Business Partner Code forms the basis for cooperation with suppliers and service providers. By signing it, the business partner commits to the guidelines specified there. Non-compliance with the Code can lead to significant restrictions or even to the complete termination of the business relationship. →

COMPLIANCE MANAGEMENT SYSTEM



→ Both our Code of Conduct and our Business Partner Code pay particular attention to the issue of corruption. Both documents make it unmistakably clear that evidence of corruption will not be tolerated by Vonovia and will lead to appropriate consequences.

[G4-SO4](#)

Compliance: Fair Play According to Clear Rules



We understand compliance to mean the lawful action of our company, its bodies and employees. Through the corresponding monitoring of our compliance rules, we protect

the integrity of employees, customers and business partners and shield our company from negative consequences.

Our corporate compliance - company-internal rules and guidelines - is based on the relevant statutory requirements, the Articles of Association and the rules of procedure for the Supervisory Board and the Management Board. Compliance at Vonovia also includes product-related compliance.

Compliance with all rules is monitored by a central compliance management system based on IDW Standard PS 980. Compliance

management at Vonovia is part of the legal department.

A central compliance officer is assigned the task of identifying compliance risks, taking suitable measures to avoid and detect these risks and taking appropriate action in response to determined compliance risks. This officer is supported by compliance managers who, along with the officer, are the key contacts for compliance matters and suspected cases at the company.

An external ombudsperson is available to all employees and business partners as a confidant for compliance matters. If necessary, the ombudsperson accepts information about suspected compliance cases on an anonymous basis.

A Compliance Committee also discusses and coordinates compliance issues. The Compliance Committee meets every quarter to discuss current cases as well as the refinement of Vonovia's compliance management system. Along with the compliance officer, the compliance managers and the ombudsperson, other members of the Compliance Committee include representatives from the areas of internal audit, risk management, HR and the works council.

Regular Training on Governance and Compliance



Vonovia employees are routinely trained on the issue of compliance, particularly on the issue of combating corruption. Procurement, for which the issue is particularly relevant, receives special training on corruption and criminal law pertaining to corruption. In order to anchor compliance deeper within the company and to be able to inform and train employees about it on a more comprehensive basis, we have designed a special e-learning tool, which will be available to employees beginning in the summer of 2016 in the intranet.

The Supervisory Board is regularly and comprehensively briefed on the issues of compliance, corruption and on the existing guidelines and procedures. The Audit

Committee regularly receives a compliance report, which reports on suspected cases, measures and training offered on the issue of corruption. [G4-SO4](#)

In the 2015 fiscal year, there were suspected cases of corruption, which we investigated diligently. However, none of the cases was confirmed. [G4-SO5](#)

Furthermore, in 2015 – as well as in previous years – we were not aware of any material violations of valid provisions regarding the health of customers that were not immediately remedied. [G4-PR2](#)

Otherwise, there were several non-material compliance violations or suspected cases during the reporting year. This demonstrates clearly that our established system functions well: The cases were reported and addressed and corresponding consequences ensued. [G4-SO8](#)

Careful Dealing with Antitrust Proceedings



As a rule, Vonovia deals with antitrust-related situations in a careful and forward-looking manner. Specifically, this means that Vonovia, for example, reports acquisitions as soon as possible to the German Federal Cartel Office and begins to integrate the acquired companies or portfolios only after approval has been granted by it. There were no violations of competition law guidelines. [G4-SO7](#)



Satisfied Customers



34-37

*Fundamentals – Customer Satisfaction
as a Key Success Factor*

38-43

*Affordable Housing – Low Rents Through an
Efficiency-Based Approach*

44-47

*Affordable Services – Numerous
Supplemental Offerings Increase
the Living Comfort of our Customers*

48-49

*Customer Health and Safety –
The Focus Is on Prevention*

Fundamentals

G4-PR5

For a long time, the concept of service was a foreign one for many companies in the private sector of the housing market. Only in recent years has a fundamental change taken place. Today a new idea of the customer is shaping the real estate industry: The tenant is a customer, who does not only want to be “provided” a product, but to be consulted, included and, above all, supported. Therefore, we view ourselves today, first and foremost, as a service provider and orient our conduct systematically to the needs of our customers.

Management Approach: Customer Satisfaction as a Key Success Factor



The satisfaction of our customers is a material component of our strategic positioning and, in our view, directly influences the economic success of our company. We promote this satisfaction by ensuring that:

- The housing that we offer our customers remains affordable
- We are readily available to our customers and are located as locally as possible
- We resolve their concerns in a solution-oriented, quick and reliable manner

- We live up to our social responsibility completely

In addition, we create added value for our customers by:

- Enabling them to participate in cost advantages that we achieve due to our size
- Offering them new services, which makes their housing experience more pleasant
- Taking into account the residential neighborhood and ensuring that it is livable and attractive

In particular, we see a tremendous opportunity for ourselves to improve the satisfaction of our



**Both overall satisfaction
and customer loyalty have increased
steadily in the past three years.**

customers continuously and to win their long-term loyalty through our concept of service, which we carry over to our field of business from customer-oriented industries and through innovative services stemming from our Extension strategy.

Customer Surveys Offer Regular Feedback to the Company



In order to measure customer satisfaction and progress with our efforts at further improvement, we have conducted customer satisfaction surveys systematically since 2012. The surveys are conducted quarterly and with the help of an

external partner. We use them to address general customer satisfaction aspects, such as image, loyalty and overall satisfaction, and to provide theme-based feedback relating, for example, to customer service, maintenance and conversion work.

The surveys have a quantitative dimension through the disclosure of a so-called Customer Satisfaction Index (CSI), which serves as a key performance indicator, as well as a Customer Commitment Index (CCI). The CSI reflects the perceived satisfaction of our customers, while the CCI reflects their loyalty to our company. →

+20 %

GROWTH
in the CSI between
2012 and 2015

> 40 %

GROWTH
in the telephone availability of the
Vonovia customer service since 2012

→ Our operating business offers additional insight into customer satisfaction through the vacancy rate, tenant fluctuation and direct feedback from our customers in day-to-day business.

In addition to the regular surveys, we conduct event-based interviews on an ongoing basis for the purposes of internal quality assurance. During these interviews, we let customers describe to us directly how satisfied they are with the manner in which Vonovia handled their last issue.

The surveys, interviews and other feedback help us better understand the needs of our customers, identify potential improvements and move toward introducing the appropriate measures. The survey results are evaluated on a regional and portfolio basis.

CSI Higher, Improved Perception of the Company



The positive trend in the survey results and the fact that we were able to achieve all our targets in this area for 2015 demonstrate that our efforts are paying off: Both overall satisfaction (CSI) and customer loyalty (CCI) increased steadily in the past three years. [G4-PR5](#)

Three principal insights from the surveys are:

- Our customers rate our apartments as well as the structural and technical condition of our properties higher in 2015 than in previous years.

- The perceived telephone availability of Vonovia customer service has risen by more than 40 % since 2012.
- Commercial/technical support is rated at a consistently good level. The friendliness of our caretakers was rated particularly high.

It is especially encouraging that our reputation has improved: In 2015, our customers perceived us as a trustworthy company with competent contact people.

Local Service as an Important Success Factor



Today we support our apartments and our customers - in contrast to earlier years - with our own local employees. The expansion of local support has not yet achieved complete coverage and will be continued in the current year.

The local employees are supported by a central customer service, which collects customer concerns by telephone and relays the tasks to local employees. In this way, we ensure an efficient, structured and, above all, quick processing of tasks. — AR 2015, p. 42 et seq.

Also in the area of services, the local presence is a major advantage: This begins with reletting, for which employees can use their local market knowledge and extends to supplemental offers from our Extension service package, which we can market individually.

In order to improve support by local employees, we significantly expanded the capacity of our

1,000

EMPLOYEES
in our central
customer service

central customer service in 2015 to almost 1,000 employees. In addition, service times were expanded to 7:00 a.m.–8:00 p.m. during the work-week and to 8:00 a.m.–4:00 p.m. on Saturday. Our own employees now also manage the 24/7 emergency number provided to our customers.

In order to be able to keep our service and quality standards at this high level in the future, all employees, particularly in the areas with direct customer contact, routinely receive intensive training.

In addition, we plan to examine individual process steps of our central customer service in terms of their efficiency and customer satisfaction. Along with the internal audit, we plan specific short surveys of our customers on individual procedures and their experiences with us in order to discover weak spots in a targeted manner and to introduce improvement measures.

Affordable Housing



G4-2, G4-EC8



An at times heated public debate about the issue of affordable housing is currently underway. For a long time, the supply of real estate – especially in German metropolitan areas – has been unable to keep up with the rate of population growth. The creation of new housing is progressing only slowly, while energy prices are increasing, driving ancillary expenses higher and higher. With our efficiency-based approach, we are doing our part to help people in Germany continue to find affordable housing.

Rents in Germany: Countering the Largest Cost Driver, Energy



Rent price depends strongly on the region, though one can generalize that a tenant in the western German states pays more than in the eastern and in the northern regions less than in the southern. Specific metropolitan areas exhibit their own characteristics, however. According to GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen e.V. (Association of German Housing and Real Estate Companies) an average tenant of the companies of the GdW in Germany paid net rent (excluding ancillary expenses) of € 5,71

per square meter in 2015. In addition to this, tenants pay various ancillary costs, such as heating, water and municipal taxes. Together, the ancillary expenses per square meter reached € 2,58 in the companies of the GdW in 2015. This corresponds to almost half of the net rent excluding ancillary expenses.

Like all costs, expenditures for housing have risen over time. However, over approximately the past 15 years, net rents excluding ancillary expenses have not increased as much as the overall cost of living, as measured by the consumer price index. According to the German Federal Statistical Office, the cost of house-

HOUSING IN GERMANY

€5.75/m²

IN-PLACE RENT PER SQUARE METER VONOVIA 2015



€6.37/m²

RENT PER SQUARE METER GERMAN AVERAGE 2013

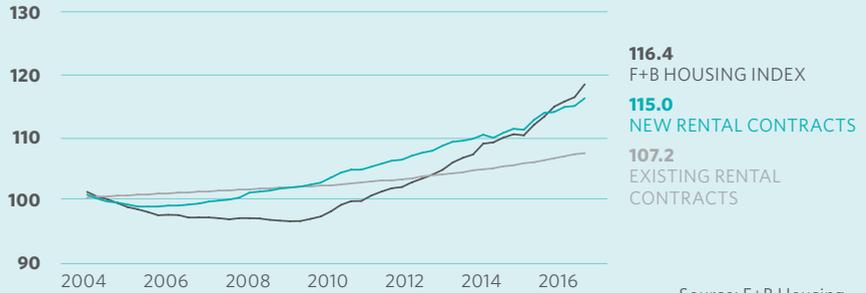
hold energy (electricity, gas and other fossil fuels) has risen more sharply. While net rents excluding ancillary expenses have increased by approximately 20 % in the past 15 years, the prices for household energy have risen by approximately 80 %.

In 2015, Vonovia customers paid an in-place rent of € 5.75 per square meter (+ 3 % compared to 2014) and thereby significantly less than the German average, which is € 6.37 for existing rental contracts according to the Deutscher Mieterbund tenant association (2013).

What can we do to keep rents affordable in the future?

- Through efficient property management, we can keep total costs per unit lower than real estate managers of smaller portfolios.
- We reinvest a large share of our (rental) income in the portfolio itself - in the form of ongoing maintenance and modernization. For example, we are increasing the energy efficiency of apartments, the long-term effect of which includes independence from rising energy prices (see p. 58 et seq.).
- When procuring services, we are able to achieve cost advantages that also benefit →

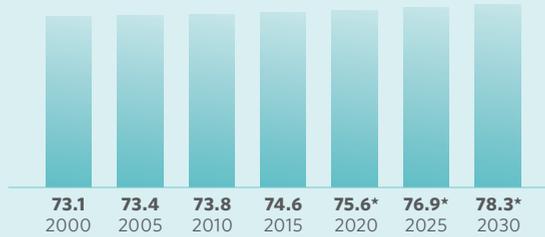
RENTAL PRICE DEVELOPMENT IN GERMANY 2004-2016



Source: F+B Housing Index 2016

CLEAR TREND TOWARDS URBANIZATION

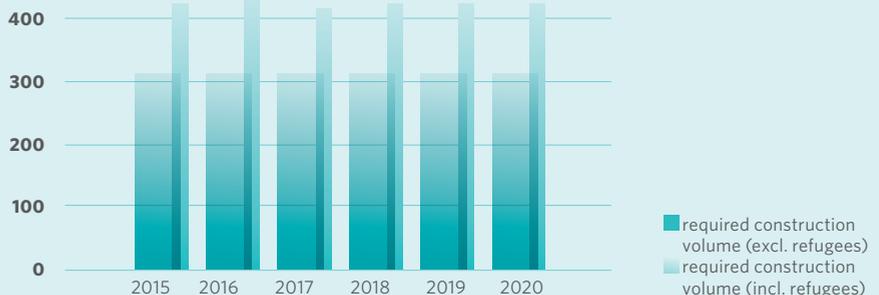
PERCENTAGE OF PEOPLE LIVING IN GERMAN CITIES



* Forecast
Sources: Federal Statistics Office, IW Köln (Cologne Institute for Economic Research)

NEW SUPPLY FALLS SHORT OF DEMAND

NEW CONSTRUCTIONS (10,000 UNITS)



→ our customers, for example, in the form of lower ancillary costs. [G4-EC8](#)

Relieving the Pressure of Real Estate Markets [G4-2](#)



In recent years, pressure on the real estate market has increased significantly in many regions, particularly in conurbations. A key reason can be found in substantial migration flows – in part from rural to urban areas and in part to Germany, which has led to an increase in rental prices in attractive cities.

- (1) Trend toward the cities: After several years of urban population losses in favor of the surrounding countryside, a clear reversal of this trend has been seen in recent years: Families and individuals are increasingly attracted to the advantages of urban living, such as short distances, good local supplies, broad cultural offerings and extensive job opportunities. Already today, 75 % of people in Germany live in conurbations, according to the Federal Statistical Office.
- (2) Migration to Germany: From 2010 to 2013, there was a migration surplus of approximately 1.2 million people, according to the Federal Statistical Office. In 2014 alone, there was a surplus of approximately 550,000 people – the highest amount since 1993. This figure was exceeded significantly by the number of refugees who came to Germany in 2015. In the past year, the public census recorded a migration surplus of 1.1 million people: A total of 2.1 million people immigrated to Germany. That is 46 % more than in the previous year. 55 % of these people came from non-EU regions such as Syria, Afghanistan or Iraq. Almost three-quarters of the migrants were drawn to the five German states of North Rhine-Westphalia, Baden-Württemberg, Bavaria, Lower Saxony and Hesse.

According to a current study by the Institut für Wohnungswesen, Immobilienwirtschaft, Stadt- und Regionalentwicklung (InWis), 400,000 new apartments would have to be built annually in Germany until 2020 in order to meet the demand. The actual figures were just 216,000 in

2014 and 247,000 in 2015. Most of them were not in the “affordable housing” market segment. An important reason for subdued building activity is the regulatory environment. Requirements and red tape make building in Germany time-consuming and expensive. Although the rent ceiling introduced in 2015 continues to have no noticeable effect on our business, it complicates the rental process of a nationwide housing company like Vonovia since we now must deal with a patchwork quilt of different regulations in determining permissible new rental rates. The additional tightening of laws, including the tenancy law or the modernization allocation, could lead to reduced overall investment activity in new construction and modernization in the market.

We have also intensively examined the issue of how we can help solve the housing problem. For this purpose, we are engaged in an intensive dialogue with policymakers and municipalities at various levels.

Primarily, we see two possibilities for how we can add the creation of affordable new housing to our business model:

- Vertical expansion: We prefer to add a completely new story to existing properties. According to local requirements, sometimes only an attic with the same roof shape can be added to create housing.
- Densification: We eliminate construction gaps on our properties by constructing new buildings.

In 2015, we began intensive planning for new housing and now have proceeded deep into the design and development phase of various projects: We were already able to complete a few initial vertical building expansions in 2015. Additional buildings were analyzed for potential vertical expansion projects and various types of apartments and basic modules were developed.

Serial and Modular Construction Facilitates Affordable New Housing



As a portfolio holder, our clear focus is on building rented homes. Therefore, building projects entail major cost pressure for us. In contrast to companies that build owner-occupied apartments, we do not want to sell homes. Instead, →

→ we prefer to manage them over the long term and rent them at prices that an average earner can easily afford. In order to make this possible, we have developed an approach that is new to the real estate industry and enables us to build housing at prices well below the industry average: modular and serial construction.

With modular construction, the eventual apartment is subdivided into modules. They are prefabricated, transported to the construction site and assembled there. Vonovia plans to be the first company in the industry to implement this on a large, industrial scale.

The building projects are not implemented individually, but rather in series using systematic, standardized processes. The goal is to leverage cost advantages to build less expensively and, through modular construction, also more quickly.

Controlling construction costs so that housing is later affordable for the tenant is a major challenge of the project. Decisive for success are long-term and detailed planning as well as a functioning regional network and good cooperation with the building authorities.

A significant advantage for us stems from the fact that we have land and vertical expansion potential in our portfolios. Therefore, we do not need to acquire expensive land to build on. Given this and as a result of modular and serial construction, we can build significantly below the industry average of well over € 2,000/m² (gross) and thus build apartments that we can manage efficiently and rent at an affordable price. For new construction, our ambitious goal is to achieve square meter prices of € 1,800/m² (gross), including all fees and costs for residential neighborhood expansion. We will complete our first new construction project by the end of 2016. For vertical expansion, our goal is even to reach € 1,500/m² (gross) - without a balcony, but with a modern bathroom. As a result, a square meter would be rentable at an affordable price without requiring the tenant to do without a certain degree of customization.

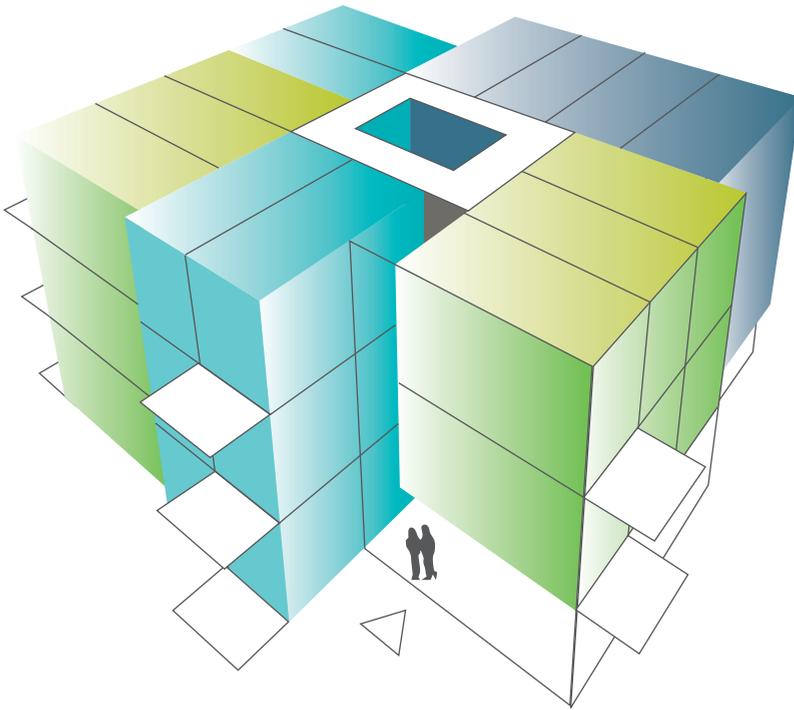
We are currently working with regional architecture firms in order to implement the projects. However, our goal is to realize the new con-

struction with our own craftsmen's organization. Currently, our own employees are primarily assuming responsibility for coordination with the partner firms. We are still at the beginning of our activities in this area. But thanks to our serial approach, we can implement these concepts quickly and efficiently. By the end of 2017, approximately 1,000 new apartments are planned using modular construction. The first of these buildings with 14 units will be completed in Bochum by the end of November 2016.

We also contribute our previous planning and practical experience to the political discussion about affordable construction and housing. For example, through the German Property Federation (ZIA), we were directly involved in discussions of the Alliance for Affordable Housing and Construction (Bündnis für bezahlbares Wohnen und Bauen) at the federal level. In addition, representatives from Vonovia participated in numerous discussions and political events sponsored by associations, institutes, parties and other institutions. In this, we see an important contribution to a discussion that affects the entire industry.

MODULAR AND SERIAL - A NEW APPROACH FOR THE REAL ESTATE INDUSTRY

THE "LEGO" PRINCIPLE



ADVANTAGES

EASILY ADAPTED TO VARIED NEEDS

USING A UNIQUE CONCEPT AND PREFABRICATION
TO CONTROL COSTS

CONSTRUCTION COSTS OF APPROX. € 1,800 PER m²
ALLOW FOR RENTS < € 10 per m²

SHORT CONSTRUCTION PERIODS

RESOURCE CONSERVATION DURING CONSTRUCTION

EASY MAINTENANCE

RESPONSE TO SKILLS SHORTAGE

Affordable Services



G4-EC8



The needs of our customers are growing and changing: They have long extended beyond affordable housing. Our customers would like their environment to be livable, their apartment to be well maintained and their expectations regarding modernity and comfort to be met – and they would also like to remain in their apartment or quickly find a new, suitable one if their living circumstances should change. Along with the wishes and needs of customers, Vonovia's possibilities are also changing: By offering modern services, we want to improve customers' living comfort at fair conditions and thus add to their satisfaction.

A Functioning Customer Relationship Opens Up Additional Opportunities



Our size and nationwide presence alone bring advantages for our customers: If they change their place of residence, we help them if they want to find an apartment from Vonovia at the new location. This saves them formalities and expense since tenant records already exist. In addition, as a result of our rental points throughout Germany, we always know whether a suitable apartment is free or will become free at the new place of residence. The customer also does not need to make any concessions on quality since, ideally, it is the same. The same applies if

an apartment becomes too large or if one of the tenants is seeking a new apartment for himself or herself: We help our customers get the apartment that corresponds to their needs.

Modern Ancillary Services for More Comfortable Homes



A social trend that we consider when we think about how we can make the day-to-day residential experience more comfortable for our customers is the change in income in Germany: It is foreseeable that the income of large portions of the populations will decline. According to a current study of the German Institute for



Economic Research (DIW Berlin), the share of the middle income bracket fell by six percentage points between 1991 and 2013 to 54 %.

Therefore, for several years we have offered our customers services that improve their sense of comfort and satisfaction, yet are affordable and will remain so. In the last two years, we have successfully expanded our offers in this area.

The ancillary services, to which our customers have access or from which they can benefit, essentially encompass the following:

- Cable TV: As of the end of 2015, we supplied around 110,000 households with a direct cable TV signal, including approximately 60,000 households via our cooperation with Deutsche Telekom. Over the long term, we want to increase the number of our own cable TV connections to 300,000. We pass along the volume advantages, which we receive by virtue of our size, to our customers in the form of contracts below the prevailing market rates.
- Bathroom modernization in response to tenant requests: If needed, we can modernize the bathroom of our customers in exchange for an affordable fixed rent →

- surcharge. In 2015, we converted a total of 510 bathrooms.
- **Smart metering:** Using the technology of smart submetering via wireless data transmission, the measurement of water and heat consumption is now done automatically. As a result, ancillary expense bills can be prepared more quickly. Now that a pilot project with approximately 1,000 apartments has been successfully concluded, we started to roll the technology out across the board at the end of 2015.
 - **DHL mailbox for packages:** The receipt and sending of packages is increasing at an accelerating rate as a result of the growth of e-commerce. In order to spare our customers a trip to the post office and to give them the opportunity to receive their packages even when they are away or to send them at any time, we are installing mailboxes for packages (known as a Paketbox) in multifamily residences in cooperation with DHL. 50 such mailboxes have already been installed and another 150 are being planned.

Beyond these ancillary services, we ensure with our own craftsmen's organization, our caretakers and our gardeners, who work directly in and on our properties, that repairs or modernization measures are carried out quickly and well and that the residential neighborhood is well maintained. Our customers also benefit here from size-related price advantages that arise through our standardized, efficient processes or in the procurement of materials.

Special Ancillary Services for Older Customers



Since we have many older people as customers, we also think about ways we can support them in the future through customized ancillary services. So that our older tenants' health needs are met and they are socially integrated, we have cooperated for many years with appropriate institutions and welfare associations, which can provide on-site care for older tenants at their request. [G4-EC8](#)

In addition, we are currently running a pilot project for assisted living systems, which can mean a significant increase in quality of life and safety for our older tenants. The assisted living

systems can support the customers in their apartments, enabling them to stay as long as possible and remain independent in their accustomed surroundings. Examples of applications are primarily in the areas of safety, comfort and entertainment.

Progress Does Not Stand Still: Constantly Looking for New Offers



A service that functions for the bathroom also functions, in principle, for other areas of living. People who feel at home generally would like to live for as long as possible and safely in their apartments. These and other considerations continually give us cause for developing new concepts, with which we can support our customers.

In developing a new service, we always proceed step by step and involve experts: A pilot project thus always precedes a product launch so that we can see how the customer accepts and evaluates an offer. As a result, we increase the likelihood that the client will take advantage of our offer to the greatest extent and thereby minimize our risk. Upon the successful completion of the pilot project, we always attempt to make an across-the-board product launch so that we can reach as many customers as possible with our services and achieve standardization and efficiency advantages. — AR 2015, p. 1 et seq. and p. 18 et seq.

ADDITIONAL SERVICES FOR OUR CUSTOMERS



~110,000

HOUSEHOLDS

have already been supplied with a cable TV signal.



510

BATHROOMS

were modernized in 2015, in response to tenants' requests.



~1,000

APARTMENTS

took part in the pilot project "Smart Metering".



50

DHL MAIL BOXES FOR PACKAGES

have already been installed in multifamily houses. A further 150 mail boxes are already being planned.

Customer Health and Safety



Some of our services are invisible to our customers, but fundamental at the same time. They include those measures that ensure their health and safety in their apartments at all times. We achieve this by providing regular maintenance of our apartments, paying attention to whether the materials used are conducive to health and creating preconditions for a good indoor climate.

Health Safety of the Building Materials



In the course of our maintenance and modernization measures, we exclusively use materials in our apartments that do not pose a threat to health and we comply with the related statutory law without exception.

Vonovia's procurement department stipulates the standard building materials that may be used in the apartments and ensures that they have previously undergone and successfully passed various quality tests. We place a par-

ticular emphasis on the potential impact of the materials over their entire utilization cycle right up to disposal.

Before an apartment can be transferred to a new tenant, it is subject to a standardized acceptance process. Of course, legally prescribed tests, such as the legionella test of drinking water, are routinely conducted. In addition, we personally handle the legally prescribed installation of smoke detectors in the apartments and maintain them regularly in order to ensure their proper functioning.

In the course of renovation work, it may be necessary to remove asbestos in old properties. In this case, we carry out all necessary measures in such a way that any danger to our customers is ruled out and the safe removal of asbestos is assured. In the process, we comply with the technical rules for the handling of toxic materials at all times.

Good Indoor Climate Through the Right Preconditions



In order to prevent mold formation in the apartments, we create all of the underlying conditions for a healthy indoor climate: We achieve this both through the regular maintenance of apartments according to modern standards as well as through the deliberate selection of building materials.

Our customers can also contribute to a mold-free apartment: Therefore, we inform them routinely about how they can ventilate and heat so that the risk of mold formation remains as low as possible.

If mold has formed in an apartment despite all precautions, our craftsmen's organization takes all necessary measures to eliminate the mold and prevent a new formation of mold. We remove any mold immediately and do not pose any questions regarding responsibility - our priority is ensuring that our customers live in a healthy environment.

Minimizing Potential Hazards in the Residential Neighborhood



As landlord, we also share responsibility for the health and safety of our customers outside the apartments: For example, we conduct routine safety inspections of our playgrounds. Of course, we also fulfill all public safety provisions without exception so that potential hazards can be minimized over the long term. If the inspections uncover deficiencies or risks, we immediately take measures to eliminate them.

Reduction of Noise Pollution



Annoying noise can also harm the well-being of our customers. Even if Vonovia's ability to exert influence in this area is rather limited, we take various measures to promote noise-free housing as much as possible.

For properties located on busy streets, for example, we ensure that noise pollution in the apartments is minimized through good window insulation. During maintenance or modernization measures, construction noise makes impaired living comfort unavoidable. When these kinds of things happen, we try to do something nice for the customers to make them a bit more comfortable, for example, by holding an on-site barbeque.

But customer complaints about noise also often relate to noise caused by other tenants or immediate neighbors. In these cases, we focus on promoting a sense of community and try to mediate between the parties in order to arrive at a solution. In addition, by taking measures like posting house rules in different languages, we contribute to creating a common understanding of community and living together.



A

Sustainable Portfolio



52-53

*Fundamentals – Continuous Investments
Increase Portfolio Quality*

54-57

*Maintenance and Modernization –
The Focus Is on Portfolio Maintenance, Value
Creation and Energy Efficiency*

58-61

*Climate and Environmental Protection
in the Units – Energy-Efficient Renovation
Has a High Priority*

62-65

*Neighborhood Development – Customized Concepts
for Neighborhood Development Fundamentals*

Fundamentals



Our portfolio is the material foundation of our business activities and accounts for – as measured by fair value – about 78 % of the Group’s assets. In 2015, the number of apartments in the company increased by more than 75 % as a result of acquisitions. Thanks to a quick and sound integration, the new portfolios have now been smoothly integrated into our processes. On this strengthened basis, we will continue to focus on increasing our net asset value.

Management Approach: Optimization of Building Stocks Through Investments, Acquisitions and Sales



The quality of our portfolio plays a particularly large role for achieving our economic goal of “increasing our company’s value.” Accordingly, we deal with it intensively in our daily business. Portfolio quality has two facets for us: First, it is important to us that our properties are in good structural condition; and second, we want to promote the income and value of our portfolio accordingly through acquisitions and sales.

We work on structural quality through the two fields of activity of “maintenance” (capitalized maintenance) and modernization (value-creating investments): In the course of maintenance, we ensure that our building stock is preserved and corresponds to market requirements. In the course of modernization, we elevate buildings and apartments to a new standard of use.

We work on portfolio quality through acquisition and sales activities. Here, our focus is on optimizing our portfolio by acquiring properties that are suited for long-term property management through our

standardized processes and selling those that do not meet this criterion. Important evaluation criteria are:

- Location: Are the (potential) properties or portfolios located in regions, cities and settings that fit our strategy?
- Building stock: Is the (potential) property or portfolio quality such that it is consistent with our approach to property management?
- Perspective: Is further development of the properties or portfolios possible in line with our value-enhancing strategy?

For additional information about our portfolio and portfolio management strategy, we refer to the 2015 Annual Report, p. 87 et seq.

Our Portfolio



As of December 31, 2015, the Group had a real estate portfolio comprising 357,117 residential units, 89,746 garages and parking spaces and 3,399 commercial units. 40,682 units are also managed for other owners. Most of the properties in the Group's portfolio constitute multifamily residences. Our portfolio is distributed throughout Germany. For an overview of the regional distribution of our portfolio and Vonovia's largest locations, we refer to the 2015 Annual Report, p. 90 et seq.

According to the latest census taken in 2011, Germany had 23.3 million rented homes. On this basis, our portfolio in Germany has a market share of approximately 1.5%. Large private companies, including Vonovia, manage 3.2 million homes, or around

14% of the housing stock. On this basis, Vonovia's market share amounts to 11.2%. As a result, we are the largest private sector actor in the German housing market.

KEY PORTFOLIO DATA

(DEC. 31, 2015)

NUMBER OF UNITS:

357,117

TOTAL LIVING AREA:

22,271,113 m²

AVERAGE APARTMENT SIZE:

63 m²

AVERAGE UNIT:

2 to 3 rooms, kitchen and bathroom

OCCUPANCY RATE:

> 97% of the units rented

VACANCY RATE:

2.7%

AVERAGE MONTHLY

IN-PLACE RENT:

€5.75 per m²

Maintenance and Modernization



We promise our tenants livable homes and our investors a stable yield. By making continuous investments in our portfolio, we ensure that we can keep both promises over the long term. As a result of negligence in earlier years, it is currently very urgent for us to make investments. We are tackling this challenge comprehensively and thoroughly.

Management Approach: Portfolio Maintenance Ensures Satisfaction and Value While Increasing Energy Efficiency

↓
A sustainable portfolio ensures satisfied tenants and brings us regular and stable income, which we can both reinvest in ongoing maintenance and pass along to our shareholders. Therefore, we make significant expenditures to take care of our portfolio. In 2015, it was € 330.7 million for maintenance and ongoing maintenance as well as € 355.6 million for the modernization and further enhancement of the portfolio. That comes to a total of € 686.3 million or € 33 per square meter.

Expenses for Maintenance

↓
Through maintenance, we preserve and take care of our building stock. We include it under routine and long-term planned economic expenses. By practicing continuity, we avoid spikes in expenses and space out our capacities. Aside from this, we avoid additional costs, which often result from deferred maintenance.

Where we conduct maintenance is determined in part from long-term planning and in part from recently identified needs during regular inspections. Another decision factor for maintenance can be the savings impact: As a result, we renovate properties

INVESTMENTS IN OUR PORTFOLIO 2015

IN € MILLION



that are not yet due for maintenance if a renovation is already planned in the immediate vicinity or cost advantages arise for other reasons.

Investments in Modernization



By investing in modernization, we elevate buildings and apartments to a new standard of use. We fundamentally distinguish here between energy-efficient modernization measures and measures that improve the standard of living:

As part of energy-efficient modernization, we heat-insulate facades, basement ceilings and attics and install new and technically superior heating systems. As a result of these measures, energy consumption – and thus CO₂ emissions – is significantly reduced. This not only benefits the environment but also our tenants in the form of lower heating costs (see p. 58 et seq.).

Measures that improve the standard of living include, for example, the installation of new balconies or the modernization of bathrooms and often coincide with senior-friendly conversion work. →

PORTFOLIO INVESTMENTS BY REGION IN 2015



* excl. former GAGFAH properties

** This figure's capex lies above the capex represented for the fiscal year because it includes measures started in 2015 that continue beyond 2015.

TOP 10 MODERNIZATION PROJECTS IN 2015 (STARTED PROJECTS RELATIVE TO INVESTMENT VOLUME)

Region	City	Units	Area in m ²	Investment volume in €
West	Dortmund	694	40,837.43	14,911,960.03
South	Augsburg	431	17,642.13	9,278,833.60
North	Bremen	293	18,182.44	7,670,534.22
South	Munich	69	5,513.85	6,863,045.78
Central	Frankfurt	139	7,600.77	5,476,541.95
East	Berlin	264	15,184.78	5,326,665.00
North	Hamburg	207	11,226.76	4,967,385.45
Central	Cologne	289	20,596.86	4,599,713.65
Central	Bonn	148	10,939.74	4,395,872.35
South	Landsberg	120	9,614.07	4,213,192.00

→ **Eliminating Obstructions: Adapting to Demographic Change Through Senior-Friendly Housing** G4-2

↓

Another point that we consider in our modernization programs is demographic change: The age pyramid is increasingly shifting its distribution toward the older age categories. Among European countries as a whole, Germany is one of the countries in which this trend is most pronounced. From 1990 to 2009, the number of people older than 65 living in Germany rose by 41.9%. Eurostat estimates that in 2014 more than one-fifth (20.8%) of the German population was aged 65 or above. Forecasts estimate that this percentage will have risen to between 27.0% and 27.5% in Germany by 2030.

We would like to enable our customers to age in place in their apartments. Therefore, for every renovation measure, we review where we can eliminate obstructions at the same time. In addition, older tenants in particular can take advantage of our made-to-order modernization offer and eliminate obstructions (see below). These measures include leveling thresholds and steps, broadening hallways and installing zero-threshold showers or wheelchair-accessible washbasins. In this way, we enable our long-term tenants to grow older in the same place where they have felt comfortable living for many years.

In 2015, we implemented standard-improving measures accounting for a volume of around € 100 million. More than 6,900 apartments were completed in the course of 2015. Where technically feasible, conversions were carried out according to the standards of the KfW program 159 "Senior-Friendly Conversions." By 2020 we want to invest an additional total of € 500 million in this area.

We adapt our portfolio to the needs of older customers also with respect to other day-to-day issues: For example, during construction we also lower obstructions in common areas and ensure through separate storage areas that our tenants can store their walkers and similar aids safely.

Investment Decision: Where It Is Needed and Supports Our Goals

↓

We make decisions about portfolio investments for both operating and strategic reasons. In any case, they support these decisions – and this includes, first and foremost, customer satisfaction. Our investments extend to the entire portfolio and all German states.

A New Approach: Modernization Made to Order

↓

An entirely new approach for our industry is that our customers can initiate modernization measures on their own – at a fair price in the form of a monthly rent surcharge. As an initial major project, we introduced a bathroom program last year after a successful pilot phase. In addition, we offer our customers a bathroom modernization in three comfort options. Thanks to the high degree of standardization, the installation time amounts to one week at the most. Last year, a total of 510 bathroom projects were implemented at customer request.

Due to the strong customer response, the company began to apply the concept to the kitchen area in 2015.

Climate and Environmental Protection in the Units



G4-EN3, G4-EN5, G4-EN6, G4-EN7, G4-EN19, G4-EN27, G4-CRE1



Energy consumption in buildings constitutes a large share of total energy consumption in Germany. As a result, buildings are responsible for a significant portion of CO₂ emissions. We currently assign a high priority to the issue of energy-efficient renovation. In the process, we make a correspondingly significant contribution to conserving resources and protecting the environment.

Management Approach: Good Insulation Reduces Energy Consumption and Thereby Costs



We are very interested in sustainably sound building stock. This includes maintaining our apartments in modern condition also in terms of energy. Of course, we comply completely with the legal requirements of the Energy Saving Ordinance (EnEV).

The key reason for our interest in a high energy standard and our extensive activities in this area is the following fact: A high energy standard reduces the energy consumption of apartments as well as long-term costs for the customer.

In 2015 More Than 10,000 Metric Tons of CO₂ Emissions Were Saved



In 2015, we systematically pursued our goal of continuous quality improvement of our housing stocks and neighborhoods. In the course of the “energy-efficient building upgrade” program, we renovated insulation for a living area of more than 357,550 m² in more than 300 projects or about 7,000 units.

The German Reconstruction Loan Corporation (KfW) is subsidizing a major portion of the renovations. The KfW standard required to obtain a subsidy even exceeds the efficiency requirements of the EnEV. In 2015, KfW subsidized about 1,550 units.



more than 10,000

METRIC TONS OF CO₂ EMISSIONS
were saved in 2015.

= 26,000

MWh
savings of energy demand in our building stock

The measures that were carried out in 2015 correspond to savings of more than 26,000 MWh of final energy demand for our building stock. In 2015, the amount of CO₂ emissions saved through these renovations totaled more than 10,000 t. This corresponds to energy savings within the buildings renovated in 2015 of 43 % or a reduction in CO₂ emissions by 47 %. [G4-EN6, G4-EN7, G4-EN19, G4-EN27](#)

The catalog of energy-efficient improvements in 2015 also included the optimization and renewal of heating systems. More than 7,000 apartments benefited from this last year.

Based on the energy certificates of 344 commercial properties and 29,469 residential properties, the average energy intensity of our buildings amounts to 530.5 kWh/m² for commercial properties and 154.47 kWh/m² for residential properties. [G4-EN5, G4-CRE1](#)

Management Approach: Cogeneration and Photovoltaics – The Use of Alternatives to Traditional Energy Production



In order to increase the energy efficiency of our apartments, we also use cogeneration units. They are energy production plants for generating electricity and waste heat. While waste heat is used for heating apartments, electricity produced locally →

→ can be fed into the general electrical grid or used by local electricity consumers. The natural gas used to operate the plant is converted much more efficiently into usable energy by using this power-heat coupling. In 2015, we expanded our portfolio by 11 additional units.

In 2015, we purchased photovoltaic equipment that is installed on the roofs of former GAGFAH properties. In 2015, this equipment generated a total of 32,700 kWh. In addition, other equipment in Vonovia's portfolio produced a total of 29,300 kWh. Until now, the solar power that has been generated has up to now still been fed into the public electrical grid. In the future, a massive expansion of the photovoltaic portfolio is planned.

We are currently reviewing how we can make decentralized energy available to our tenants in the future, in the form of electricity generated by cogeneration units or photovoltaic equipment. However, this still requires legal clarifications that are currently being discussed. [G4-EN3, G4-EN6, G4-EN7](#)

Tenant Information: Sharing in Savings by Sharing in Knowledge

↓

In addition to our energy-efficient construction, we inform our tenants about options for saving energy through our customer magazine "zuhause" and by distributing flyers. For example, we explain the functioning of modern heating systems and provide tips for sensible heating performance.

Management Approach: Pilot Project Shower Smart Devices Save Water

↓

In the area of water use, we have only limited ability to influence the behavior of tenants. Nevertheless, we are also active here: In 2015, we started a pilot project in which we installed water flow restrictors (called ShowerSmart) in the showers in 49 units. The direct comparison with other tenants, who do not have this device in their apartment but live in buildings that are similar both structurally and in terms of the tenant structure, has shown that much less water is consumed as a result of this type of device. While the average warm water savings amounted to 16.1 liters per day and tenant, the energy consumption of the 49 ShowerSmart users declined by a total of approximately 10,000 kWh. In 2016, we informed another 1,200 units by flyer of the possibility of reducing water and energy consump-

tion in this manner: In exchange for a rent increase of € 1 per month, they can have ShowerSmart installed in their bathrooms. [G4-EN6, G4-EN7](#)

Management Approach: Re-Sorting Increases Recycling Rate

↓

In the area of waste prevention and recycling, we support our tenants with waste separation. A service provider assumes responsibility for re-sorting household garbage, which increases the recycling rate. In this way, about 50% of the residual waste can be saved and recycled.

The use of a service provider pays off for the tenants through reduced waste fees and a higher recycling rate. In tangible terms, the tenant experiences lower ancillary expenses. Savings of residual waste fees for the portfolio of the former Deutsche Annington amounted to approximately € 4.4 million in 2015. Of this amount, it was possible to pass along almost € 3 million in savings through the ancillary cost bills to the tenants.

We are also concerned about waste in the residential neighborhood. We continually review the condition of neighborhoods and, if needed, ensure that garbage and bulk waste are collected in a timely manner.

Waste and wastewater management also plays a role at our construction sites. The professional disposal of used materials is part of the training of every craftsman, for environmental and workplace safety often go hand in hand. Many environmental issues at Vonovia are subject to environmental, health and safety (EHS) regulations.

ELECTRICITY GENERATED BY PHOTOVOLTAIC EQUIPMENT IN 2015

62,000

kWh



32,700

kWh

were generated by the equipment
installed on the roof of the former
GAGFAH properties.

29,300

kWh

were produced by other equipment
in Vonovia's portfolio.

Neighborhood Development

G4-EC7

Today's apartment-seekers no longer decide on the basis of size and price alone. The neighborhood – e.g. population structure, the availability of local supplies or infrastructure – also plays a major role and can influence the decision for or against an apartment. Therefore, neighborhood development is a priority for us. For this reason, we are in contact with local policymakers and initiatives, with which we jointly develop long-term concepts.

Management Approach: Caring for the Neighborhood Increases Customer Satisfaction and Apartments' Appeal



As a rule, we manage our apartments in more or less contiguous settlements. This offers us the opportunity not only to influence the quality of the apartments, but also the atmosphere in the neighborhoods. We take advantage of this opportunity through targeted neighborhood care and development. Here, we must develop customized concepts for the individual neighborhoods. With the structures and processes that we have built up

from our previous experience, we have the tools to implement the widest variety of projects.

The advantages that result from our commitment to the neighborhoods are diverse and extend beyond utility to our customers: The entire community – all the way to the municipal level – benefits from a good atmosphere. This is because many issues that we are helping to solve overlap with tasks that are actually the responsibility of public-sector institutions.

As a result, a key concept for our conduct in the area of neighborhood work is "cooperation." Today, we



cooperate with public-sector institutions the same way that we do with private institutions, with established interest groups and spontaneously formed working groups. In the process, our goal is always the same: a livable environment for our customers and long-term development of the neighborhoods.

Eltingviertel in Essen: A Project with Model Characteristics



Eltingviertel is located in the northern quarter of Essen and is an established part of the city with its more than 100-year history. It has ideal infrastructure connections and great potential to become a popular and well-situated urban neighborhood:

attractive old stucco architecture, unused room for cafés, bars and shops, parks and spacious courtyards. But many of the buildings are in need of renovation. Many inhabitants only have limited financial resources at their disposal and the neighborhood is home to a high proportion of migrants and welfare recipients.

Together with the city of Essen and the residents, we are now in the process of upgrading the neighborhood. In the process, it is important to us that it remains affordable and the people there feel comfortable. This happens in part through a contemporary energy supply with less energy consumption, sustainable residential concepts, →

AMONG THE MANDATORY MEASURES IN NEIGHBORHOOD CARE ARE:



DESIGN AND MAINTENANCE OF PARKS

Our more than 300 gardeners care for an area encompassing 5,740,000 m² in our total portfolio.



TREE CARE

More than 222,000 trees provide shade to people on our land. We monitor their health condition during routine inspections.



PLAYGROUND MAINTENANCE

Across Germany, Vonovia maintains more than 1,000 playgrounds, on which children can play.



REGULAR LOCAL PRESENCE

Our local employees get involved in the individual neighborhoods and are reliable contacts for our tenants.

→ improved infrastructure and the involvement of social projects. [G4-EC7](#)

Before project implementation started in spring 2015, we developed together with a project company, InnovationCity Management, specific approaches for the sustainable development of Eltingviertel in the coming years. This naturally involves Vonovia's buildings, as well as public areas, such as open spaces and parks, along with further urban planning development and the integration of additional residential property owners in the neighborhood. Our company has budgeted an economic contribution of € 29 million for the project. Of this amount, € 9.3 million will be invested in the initial construction phase begun in 2015. The entire project will entail several stages and construction phases over several years. By the end, Eltingviertel will be a livable neighborhood for our tenants. For more information, see <http://www.wohnen-und-gesellschaft.de/quartier>

Additional Projects of Various Dimensions



Eltingviertel is a comprehensive and extensive project. But we are also undertaking numerous activities in other regions in order to maintain or restore the livability of neighborhoods.

In the [Bonn Neu-Tannenbusch](#) neighborhood, which has had a rather poor reputation stemming from its past but offers much development potential, we have set the stage – through targeted neighborhood management and investments in the portfolio – for making Bonn Neu-Tannenbusch a sustainable and livable neighborhood without driving out existing residents. In close cooperation with the city and local initiatives, we have not only carried out structural changes but also involved the tenants. We have begun to build up a sense of community among the tenants and promote neighborhood structures through various measures. We also have an office in the immediate vicinity.

In the artists' colony in [Berlin-Wilmersdorf](#), we invested intensively in the existing buildings. What makes it special is that the settlement is protected as a historical landmark. The challenge consisted of preserving the historical character of the neighborhood despite the modernization measures. The local cultural offerings also had to be preserved. This has been accomplished: As before, up to 60% of the artists' settlement is inhabited by people from the creative scene. The settlement is not only popular

with tenants, but it also has long-term prospects as a result of the modernizations.

We are also active in many places in [Bremen](#) in order to develop our neighborhoods there. For example, in Lüssumer Heide: Here an integrated neighborhood management is taking place through the commitment of a social worker. In addition, cooperation began with the Haus der Zukunft association as an identity-establishing initiative.

Another example is [Aachen-Preuswald](#): The neighborhood on the outskirts of Aachen has been considered a problem area for a long time. Today we have set up our own rental point in the neighborhood as a point of contact for interested parties. It has since been very well received. Two local caretakers concern themselves with ongoing work and deficiencies and make themselves available to customers during visiting hours. Furthermore, we work with social welfare institutions and make other strategic observations on development. [G4-EC7](#)



Resource- Conserving Processes



68-69

Fundamentals –
Efficiency in All Areas

70-71

Conserving Resources Through Travel
Optimization – *Centralization Saves Mileage*

72-73

Climate and Environmental Protection in
Administrative Buildings – *Energy-Saving
and Resource-Conserving Business Operations*

Fundamentals



Efficiency plays a major role in all business areas at Vonovia. It helps us optimize property management and customer support, while enabling us to pass along the generated cost advantages to our customers. But efficiency has yet another facet: It helps us minimize the consumption of resources in our business, reducing the resultant impact on the environment.

Management Approach: Transportation and Logistics



At Vonovia we continually work on improving our own business processes and making them more efficient. We look for opportunities to minimize the consumption of resources and to increase resource efficiency. The area of transportation and logistics is one of the critical areas that we can influence in this context. In order to reduce the number of miles traveled and thereby CO₂ emissions, we have implemented various measures (see below) and see to it that our vehicle fleet remains technically up to date (see p. 70 et seq.).

In addition, we ensure that we minimize our environmental impact not just in our properties, but also in the management of the administrative buildings that we use. We have identified diverse opportunities for saving energy that we would like to implement during ongoing property management.



Conserving Resources Through Travel Optimization



G4-EN30



With our own craftsmen's organization, caretakers and gardeners, we maintain an immediate, local presence with our customers in our properties. As a result, trips to the regions and managed properties are unavoidable, particularly for the craftsmen's organization. But we do everything we can to boost efficiency and thus to reduce the consumption of resources.

Vonovia is represented with apartments in all 16 federal states. In order to minimize our environmental impact, we have taken various measures to optimize our processes and make them more efficient – and thus more environmentally friendly.

In the area of transportation and logistics, we focus as much as possible on centralization: Processes that can be bundled are handled centrally, e.g., the repair center, where repair inquiries are accepted and appointments are made for the craftsmen. The employees there can see from the incoming orders precisely where there is a need and estimate how long the craftsmen will require before scheduling a resource-conserving and cost-efficient sequence of appointments. In this way, travel

is planned efficiently. This saves time and money and protects the environment.

With approximately 3,500 cars, Vonovia's vehicle fleet is considerable since our craftsmen work day after day in the properties and must be very mobile. We see to it that the cars in our vehicle pool reflect the latest technology and therefore comply with the latest emission standards. Currently the entire fleet complies with the EURO-6 standard. In 2015, greenhouse gas emissions amounted to 12,044 t CO₂eq.

Replacement parts and materials needed by the craftsmen are also procured centrally. So that the craftsmen can start off in the morning directly to their work sites



3,500

CARS

belong to Vonovia's vehicle fleet.



12,044

METRIC TONS CO₂EQ

of greenhouse gas emissions

without stopping at a warehouse or building supplies store, their vehicles are loaded overnight at their current location with optimized logistics. This also saves miles and protects the environment. Thanks to this central management, the process efficiency of on-site work has increased significantly.

In 2014, we started a smart metering pilot project. In this project, apartments are equipped with smart submetering technology so that the data is transmitted using wireless technology directly to the central system. As a result, individual meter reading of the heating units is no longer necessary. This in turn saves time, travel and fuel and thus reduces greenhouse gas emissions. Due to the success of the pilot project, we now plan to

expand the system further. At the end of 2015, we began to introduce the technology on a broader basis. [G4-EN30](#)

Climate and Environmental Protection in Administrative Buildings



G4-EN5, G4-CRE1



Rented apartments cause most of Vonovia's climate-related impact. Therefore, when it comes to protecting the environment, Vonovia focuses on the energy-efficient renovation of the housing stock. However, we would also like to ensure that resources are conserved in the administrative buildings we use.

A large proportion of Vonovia employees carry out their work in primarily leased office space, especially in the Bochum, Duisburg and Dresden locations as well as in the large metropolitan areas.

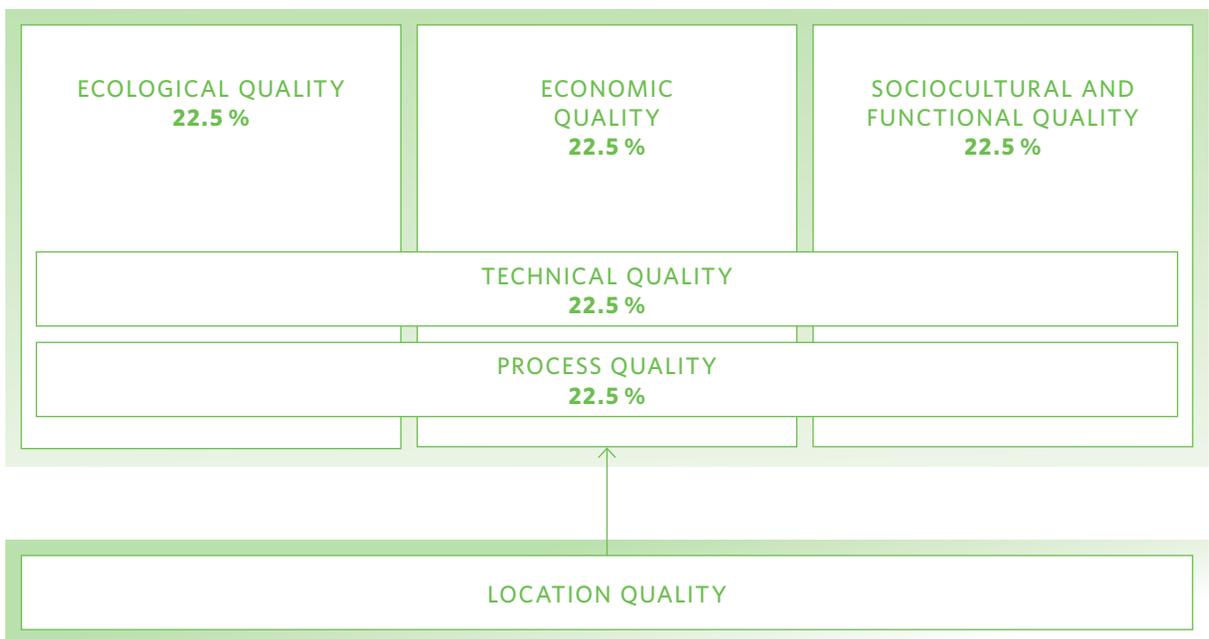
In the administrative buildings that belong to Vonovia, we analyze - as we do for our own housing stock - the consumption of resources and take appropriate measures to reduce the impact on the environment. In the leased office space, only the landlord/owner can take

such measures for the most part. In the selection of suitable commercial space for planned new rentals, we take into account the energy efficiency of buildings in order to enable use that conserves energy and reduces the consumption of resources.

In business operations, we optimize the use of resources by using environmentally friendly fittings and office materials. The digitalization of tenant records and internal administrative procedures has already led to

THE SECOND-GENERATION DGNB CERTIFICATION SYSTEM

THE NEW HEADQUARTERS IN BOCHUM
WILL BE FINISHED BY THE BEGINNING OF 2018 AND WILL BE CERTIFIED
ACCORDING TO THE DGNB GOLD STANDARD.



a reduction in paper consumption in current business operations.

The use of energy-saving IT and printing technology leads to the optimization of resource consumption as does compliance with rules of conduct established in part by the landlords regarding the use of heating, cooling and ventilation according to available energy-saving building concepts.

In business operations, energy consumption through the use of electricity and district heating amounts to 3,105 MWh. This corresponds to the consumption of 265,5 KWh per square meter of office space.

The specified energy consumption is due to the fact that Vonovia's main administration is currently still located in a leased office property, which as a result of diverse building specifications no longer conforms to current requirements for an energy-efficient building.

Vonovia is currently building a new headquarters in Bochum. The planned office property satisfies current requirements regarding energy efficiency, energy consumption and sustainability. The planned office building should be completed by the beginning of 2018 and receive a DGNB Gold Standard certification. [G4-EN5, G4-CRE1](#)



A Sense of Community



76-79

Fundamentals – *Employees as a Success
Factor for Growth Strategy*

80-81

Initial and Further Training – *Continuous
Learning in an In-House Academy*

82-83

Diversity and Equal Opportunities –
Integration Has a High Priority

84-87

Health and Balance – *The Focus
Is on Prevention*

88-89

Procurement and Supplier Management –
*Transparency and Trust Characterize
Relationships*

Fundamentals

G4-10, G4-11, G4-56, G4-LA1, G4-LA4

With their abilities, expertise and commitment, our employees make a decisive contribution to the achievement of the goals of our corporate strategy. However, we can only be successful if we act in unison and move forward together.

Our HR Management Approach



As in all other business areas, we pursue a holistic approach to HR management, aiming for a long-term focus as well as a sense of community.

In order to execute our corporate strategy, particularly our growth strategy, we need well-trained, qualified employees. Therefore, the focus of our HR management is on the recruitment and development of qualified young talents and the needs-based initial and further training of our Vonovia employees on the one hand and on the recruitment of additional employees for our craftsmen's organization on the other hand.

In addition, we aim for a prejudice-free work environment and take various measures to encourage the maintenance of our employees' health and an adequate work-life balance.

HR Structure



In 2015, HR management was entirely shaped by the merger of Deutsche Annington Immobilien SE and GAGFAH S.A. Due to this merger and additional employees in our craftsmen's organization, the number of employees at Vonovia rose to 6,368 employees as of the reporting date on December 31, 2015 (Dec. 31, 2014: Deutsche Annington: 3,850; GAGFAH: 2,084). As a result of the merger, it was naturally necessary to combine most of the business

DISTRIBUTION OF VONOVIA EMPLOYEES IN THE GROUP

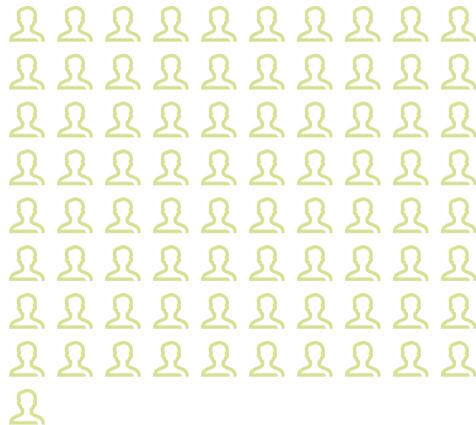
~8 %

of Vonovia employees
work for the holding company.



~81 %

of Vonovia employees
work in the following business areas:
craftsmen's organization, real estate service
and customer service.



processes from both parts of the company as well as to reorganize responsibilities and contacts. Since the spring of 2016, HR management has now been under uniform control for the entire Group.

Around 81% of Vonovia employees work in the following areas: the craftsmen's organization, real estate service, to which caretakers also belong, and customer service. Around 8% of Vonovia employees work for the holding company. [G4-10](#)

Our approach to HR management is individually tailored to the needs of different business areas and occupations. Accordingly, there are different approaches to recruiting, but also different contracts and works agreements for the individual business areas. Nearly all our employees are covered by works agreements, which set out most of our regulations. [G4-11](#)

Preserving Employee Rights



The equal treatment of all employees is a priority at Vonovia. In order to ensure that employee rights are preserved and employee interests can be adequately represented, works councils are established in all Vonovia →

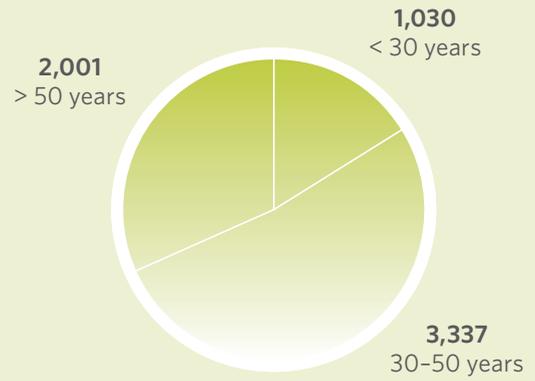
EMPLOYEES BY GENDER AND AGE GROUP

G4-10

BY GENDER

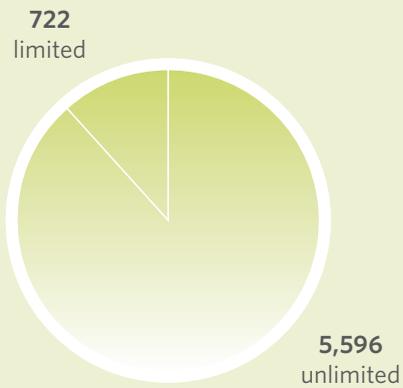


BY AGE GROUP

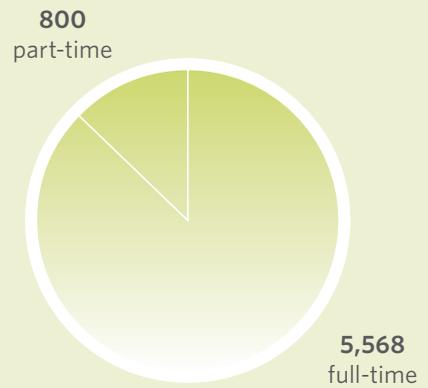


TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND EMPLOYMENT TYPE

BY EMPLOYMENT CONTRACT



BY EMPLOYMENT TYPE



→ companies and in the holding company. In case of significant business changes, Vonovia informs its workers within the legally prescribed notice period. [G4-LA4](#)

A Common Mission Statement

↓
An important task following the integration of GAGFAH and other smaller companies is the creation of a common corporate culture at Vonovia. A key component of this is the common mission statement, which was developed in 2015 by the Management Board and executives with the involvement of the works council. The mission statement serves to orient and motivate employees and executives and is the basis and fundamental framework for our conduct (see p. 14 et seq.). — AR 2015, p. 84 et seq. [G4-56](#)

Recruitment and Retention of Employees

↓
In order to counter the shortage of skilled workers but also support our growth strategy, a key goal of our HR management is to recruit the right people for the right positions. To do so, we rely in part on targeted employee development and successor management. We prefer to fill management positions at Vonovia with internal candidates – whoever does a good job and shows dedication can quickly take on a great deal of responsibility in our company. If it is not possible to fill positions with suitable employees, we recruit top performers and high potential candidates externally. For this, Vonovia has developed a broad-based concept, which includes the traditional job posting in an applicant database, the career page on the Vonovia website, an applicant hotline, cooperation with employment agencies, conducting applicant days and “speed dating,” e.g., for craftsmen. The communication of our company values, of the things we want to achieve, of the measures we will take to get there and of our attractiveness as an employer supports the specified measures.

But we also offer diverse and attractive options for young professionals: training, internships, activities as working students, dual-degree programs and various trainee programs.

If we have attracted the right employee, we attach great importance to long-term commitments: About 88% (5,596) of our employees have unlimited contracts. We also increase employee loyalty through a broad range of social services, various opportunities for further training and a good work-life balance (see p. 84 et seq.). In 2015, the turnover rate was 7.4%. [G4-10, G4-LA1](#)

Increase in Personnel Capacity Planned

↓
The complete integration of GAGFAH into our business processes and the concomitant increase in our own services is continuing in 2016 and will tie up HR management resources. In 2016, we plan to hire a large number of new employees, particularly craftsmen for the craftsmen’s organization.

Initial and Further Training

G4-LA9, G4-LA11

New tasks and career options continually arise from our consistently pursued growth strategy as well as from our multifaceted business strategy. As a result, we invest intensively in the training of young talents as well as in the targeted development of our employees.

Training Offerings Further Expanded



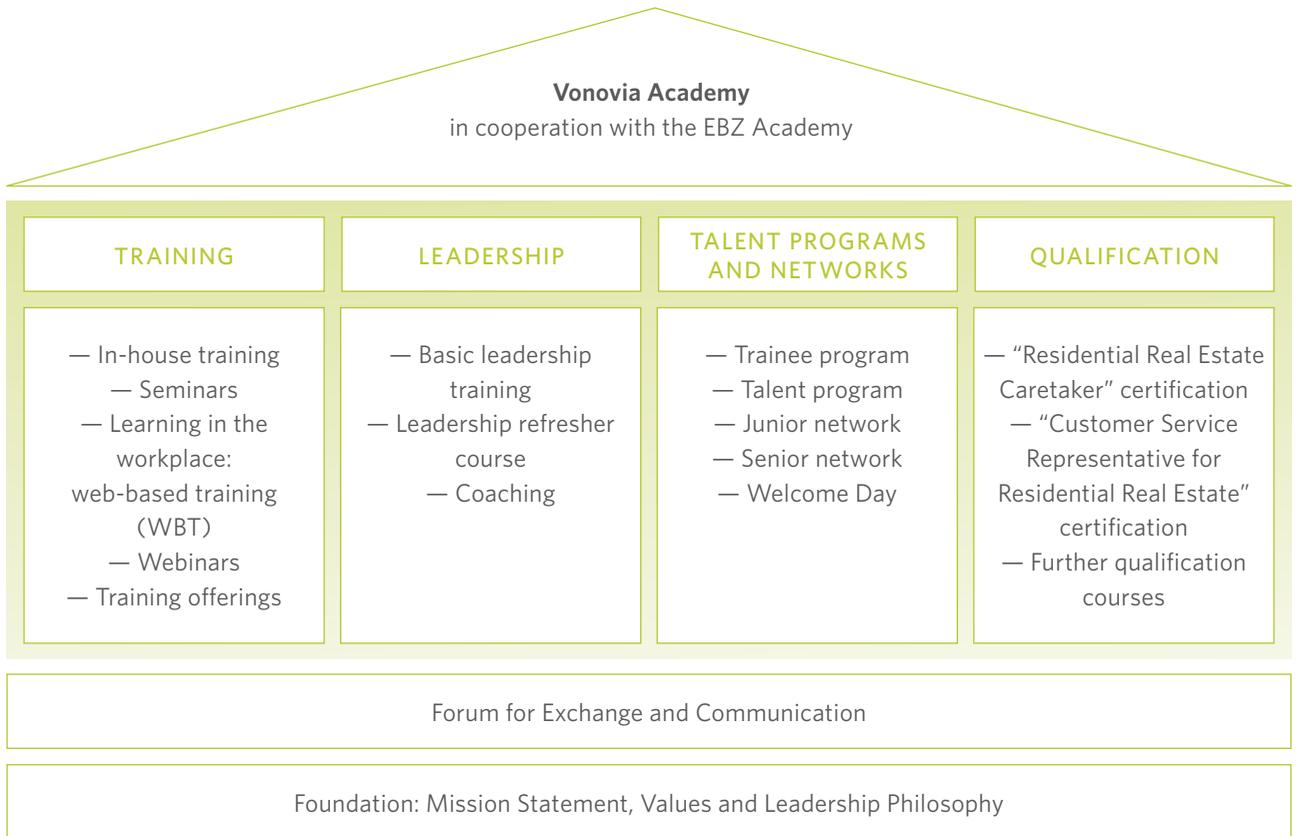
As of December 31, 2015, 352 people had a training contract at Vonovia. About 80 craftsmen trainees at the beginning of 2015 marked the largest vocational training class in the history of our craftsmen's organization. All trainees have a good chance of obtaining permanent employment; our hiring rate over the past five years averaged more than 90%. Vonovia's training system is distinguished by individual solutions, a commitment to diversity and, in particular, the promotion of people whose families have immigrated to Germany. In 2015, it was possible to further expand the training offerings in both the commercial and trade areas. An extensive description of our training system and an overview of various training offerings can be found in. — AR 2015, p. 97 et seq.

In-House Corporate Academy (Management Approach: Initial and Further Training)



Targeted further training programs are a central component of our HR management. In addition, it strengthens the loyalty of qualified employees to our company. In order to further professionalize our offerings in this area and to adapt them precisely to the needs of our employees and our company, we founded and set up our own corporate academy, the Vonovia Academy, in cooperation with the EBZ Business School (Europäisches Bildungszentrum der Wohnungs- und Immobilienwirtschaft). In 2015, a total of 1,614 employees participated in further training; the number of further training man-days amounted to 5,925. As a result, the further training rate of our company was about 25%, which corresponds to an average of 0.93 further training days per employee. In 2015, we invested

THE PILLARS OF THE VONOVIA ACADEMY



a total of about € 2.3 million in the further training of our employees. — AR 2015, p. 98 et seq. [G4-LA9](#)

Sustainability Issues Part of Initial and Further Training

↓
Of course, the initial and further training offered by the Vonovia Academy also deals with the sustainability issues that are relevant to our industry. Trainees who work on the project teams of individual strategy departments come into contact with current issues such as demographic change, energy efficiency and renewable energy. Within the further training programs, these issues are covered in the course to become a certified real estate technician, among others.

Introduction of New HR Development Tools Planned for 2016

↓
In 2016, we plan to introduce additional HR development tools and align ourselves even closer to our corporate strategy. In addition, we will expand our qualification offerings even further, which include targeted development measures for various functions, while increasingly integrating new learning methods and computer-assisted learning, particularly with tablets, into our measures. Training offerings also will be expanded again, above all in the craftsmen’s area.

Furthermore, regular personnel development or appraisal interviews will be conducted with employees and executives beginning in 2016. [G4-LA11](#)

Diversity and Equal Opportunities

G4-15, G4-HR3

*Workforce diversity has a positive impact on our performance:
It brings together different approaches, attitudes and ideas and lays the ground-
work for a community in which ideas emerge and an exchange occurs.
We are convinced that this moves our company forward.*

Management Approach: Clear Commitment to Diversity in the Company



The internationality of our workforce demonstrates that we are a company that is very open to diversity: Our employees come from around 30 nations. Particularly in terms of customer contact – our customers come from more than 170 nations – we benefit considerably from the diverse language skills and cultural backgrounds of our employees. They help us respond to the concerns of our customers in several languages: in German, Turkish, English and Arabic.

In 2013, we as a company signed the “Diversity Charter.” By doing so, we made a clear commitment to create and promote a work environment that is free from prejudice.

Regardless of gender, age, sexual orientation and identity, race, nationality, ethnic background, religion, or worldview, all employees should experience appreciation, tolerance and respect. The signing also meant the go-ahead for HR management to expand existing initiatives and to develop additional concepts in order to promote and more firmly anchor the issue of diversity at the company. We are unaware of any discrimination cases in 2015. [G4-15, G4-HR3](#)

Diversity is already a priority at Vonovia during training: In 2015, more than 50 % of our craftsmen trainees had non-German or migrant backgrounds. In addition, there is an increasing desire to inspire girls and women to enter the trades and to recruit them for our company. Therefore, we particularly emphasize at different career orientation

events at schools that girls can take advantage of various internship offerings to try out careers in the trades. We also take advantage of the "Training Ambassador" program of the Chamber of Industry and Commerce and the Chamber of Trades: Trainees speak to pupils in schools about their training experience. Here, we primarily highlight our female trainees in the trades. At the national Girls' Day, female pupils similarly have the opportunity to dabble in careers in the trades.

Also at the first management level, Vonovia would like to increase the share of women: The goal is to reach a proportion of women of 25% by June 30, 2017.

Integration of Refugees



As a growing company, we seek a large number of workers in various fields. We need the majority of them in the trades or possibly in gardening and landscaping, but commercial careers are also important fields of work. Naturally, we also want to offer refugees an opportunity to apply for these positions. In order to create the proper preconditions for this, we started a pilot project with the Gelsenkirchen job center. As a result, we were already able to hire the first refugees as construction helpers. In the process, regulatory provisions are the primary obstacle – for example, the status of the asylum application and waiting periods, but also simpler things, such as the lack of a driver's license. But other factors, such as qualifications or language ability, must be taken into account. We have had good experiences in this area so far: We assist the refugees in attending language courses. Furthermore, we have many employees with non-German or migrant backgrounds (about 25% in the trades). In addition, we offer refugees training opportunities – so far on just a small scale.

Currently we are in the process of expanding our cooperation with job centers.

For additional information on workforce structure (age structure, gender distribution, share of disabled employees), we refer to the key figures chapter beginning on p. 90 of this report.



30

NATIONS

Our employees come from various nations.



170

NATIONS

Our customers
come from more than 170 nations.

Health and Balance



G4-10, G4-LA3, G4-LA6, G4-LA7



Only healthy and motivated employees are capable of performing well. At Vonovia, we focus on prevention and offer our employees a broad offering intended to promote health in the workplace as well as diverse opportunities to balance career and family. The issue of occupational safety – above all in the craftsmen’s organization – is a priority at the company.

Health Promotion



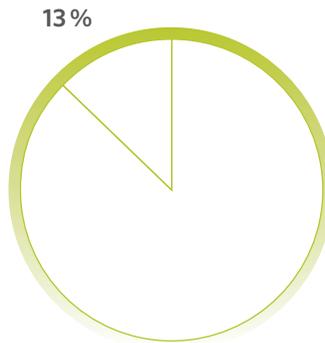
The health and social affairs department centrally manages the issues of health and balance. We offer our employees two programs with different emphases: “Balance, Body & Mind” places the focus on prevention and the healthy behavior of employees, while “Balance Family” offers a diverse range of measures to support the balancing of family and career.

The health offerings for our employees extend from preventive medical check-ups (e.g., with respect to jobs at computer workstations, etc.) to the availability of massage opportunities at work, colorectal cancer prevention, derma-

tological screening, flu shots and health days. In the context of preventive measures, we offer cooperative arrangements with fitness centers. In this area, we also offer a service line for advising and coaching employees and executives. In addition, we regularly evaluate workplace ergonomics and the equipping of workplaces.

Through the Vonovia Academy, employees can attend seminars on the issues of “stress management” and “healthy leadership.” In addition, employees have the option of obtaining information at the health portal “Time for Health” regarding a wide range of health issues. For example, this portal offers nutritional tips and recipes,

PART-TIME RATE AS OF DEC. 31, 2015



**OF WHICH
59% FEMALE**

demonstrates exercises that can be done in the office and indicates when it is time for the next medical checkup.

If employees return to the company after a long illness, they are reintegrated into the work routine through corporate reintegration management.

Career and Family



Along with health promotion offerings, we also help our employees balance their careers and private lives. This integral part of the modern workplace increases employee motivation, their ability to perform and Vonovia's attractiveness as an employer.

Our "Balance Family" program includes varying work schedules and the option of individual part-time arrangements (the part-time rate as of Dec. 31, 2015: 13%, of which 59% were female). It also offers advice regarding maternity rights, parental allowance and parental leave. [G4-10](#)

In cooperation with the family service provider PME, we organize child care (comprehensive care at home, regularly or for emergencies) and offer assistance in finding a day care center as well as on school-related issues, e.g., homework and tutoring support. In 2015, our offerings of emergency child care were frequently used due to a day care strike. In addition, we offer our employees rapid assistance if day care becomes unavailable on short notice or when →

FACILITY MANAGEMENT DEPARTMENT



→ schools have days off; for example, at the Bochum location, a parent-child office is available for use by employees. During periods of school breaks, we offer a range of daily and weekly programs for children as well as holiday trips through our family service provider PME.

The high rate of return from parental leave clearly demonstrates that our comprehensive support for employees and children has a positive impact on employee loyalty: Almost all mothers return to the company after the birth of their child. [G4-LA3](#)

Balancing career and family at Vonovia involves not only advice in the area of child care, but also support for the care of relatives. With help from PME, we arrange home-based and hospital treatment, provide advice on the financing of care and senior-friendly home modifications and offer support for “assisted living.” We inform our employees if needed from a legal perspective as well, e.g., with regard to living wills, powers of attorney and care directives. Offerings of psychosocial counseling for dealing with illness and the need for care in the family are also part of “Balance Family.”

Occupational Safety



Of course, it is Vonovia's highest priority to safeguard and protect our Group-wide employees from potential threats to their safety and health, in accordance with valid laws and provisions. To the extent that such risks exist while work is being done, our goal is to minimize them as much as possible by taking appropriate measures.

Health promotion and occupational safety are divided into two separate departments at Vonovia. However, within the framework of health circles, these two departments regularly exchange views on overarching issues or on an ad hoc basis in specific cases, with the inclusion of the respective responsible company physician and the specialist for occupational safety.

At Vonovia, the facility management department is responsible for the issue of occupational safety. The facility management department coordinates with an external service provider, which provides specialists for occupational safety and company physicians. In addition, occupational safety committees that meet regularly have been set up at the respective subsidiaries. Employee representatives are represented in the occupational safety committees through legally regulated mandates. In addition, regular exchange takes place with members of the works councils to optimize occupational and workplace safety. The potential threat to the holding company is relatively low, of course, which is why workplace safety is merely a subordinate process here. In addition, a broad range of preventive measures is made available (see p. 84 et seq.).

Our craftsmen's organization has its own occupational and workplace safety department in order to comply with the special requirements that apply to a large number of trades. For this reason, we have hired an external service provider whose specialists for occupational safety and whose company physicians provide technical support for coordinators and responsible parties at various locations. Occupational safety meetings, in which works council representatives also participate, are held quarterly in the seven regions of the craftsmen's organization. In order to derive the necessary occupational and workplace safety measures, the craftsmen's organization analyzes various job profiles and processes as well as the materials and equipment that are used. In order to optimize the occupational and workplace-related issues, the works councils are directly informed, involved and included.

Personal protective gear is provided to the employees of the craftsmen's organization. Procedural and operating instructions provide for the danger-free performance of du-

ties. Safety briefings are conducted on a trade-specific and individual basis. In all business areas, the results of threat assessments (in case of the craftsmen's organization, on a trade-specific basis) are incorporated into employee training. Along with general safety-related rules of conduct, such as conduct in case of an emergency, all issues are discussed for which potential threats have been determined. Afterwards, instructions are prepared or optimized and their performance is documented in writing. Injuries are documented in an electronic accident log that must be preserved for five years. In addition, first responders, fire protection assistants and safety officers are trained at all locations.

In 2015, training for first responders and fire protection assistants was updated, safety briefings were reviewed and threat assessments were compiled for caretakers and the employees of the craftsmen's organization (on a general and trade-specific basis). Various instruction cards or topics (e.g., in case of fire, working with screens, step-ladders and extension ladders, step stools) were updated.

The frequency of accidents at Vonovia was 51 per 1,000 employees in 2015. Most of the accidents occur during activities performed by craftsmen (see employee key figures). Due to company-specific circumstances, no nationwide statistically valid evaluation/analysis is available for the craftsmen's organization. None of our employees has been shown to have a high illness rate or threat of illness due to his or her job. [G4-LA6](#), [G4-LA7](#)

This year, we plan to harmonize various occupational safety organizations, taking into account business development and corporate strategy. As a result, local support of regional offices and workshops for implementing occupational and workplace safety provisions should be intensified.

Procurement and Supplier Management



G4-12, G4-EC9



Long-term commitments are a priority for Vonovia not only in connection with the people who work directly for our company, but also with respect to the business partners and suppliers with whom we cooperate.

Management Approach: Long-Term Relations with Suppliers



Vonovia is very aware of the sustainability risks in the supply chain. The principal challenges in the supply chain primarily relate to compliance with labor and social standards at the construction company and its subcontractors. Cases of illicit employment, unsatisfactory occupational safety and non-compliance with the minimum wage still occur repeatedly in Germany.

Since Vonovia conducts considerable trade-related construction work on its own through the craftsmen's organization, most of the risks that could arise with external suppliers are excluded from the outset. In the coming years,

the capacity of the craftsmen's organization will be expanded even further.

In 2015, Vonovia hired around 2,500 suppliers for the areas of minor maintenance work, vacant apartment renovation and construction. In the future, external firms will continue to perform specialized work, like electrical work. [G4-12](#)

Vonovia minimizes the risks associated with contractors in the area of labor law and safety in part through the Business Partner Code. Risks are also minimized by the fact that, in view of many years of cooperation with selected companies, a sufficient amount of transparency has been built up so that the business relationship is characterized by trust and reliability.

The Business Partner Code commits suppliers to economically and legally compliant conduct. It stipulates, among other things, that illicit employment be ruled out, that the legal minimum wage must be paid and that valid German regulations on occupational safety must be observed. These obligations also apply to third parties – and thus to the subcontractors of the contractual partners. In case of repeated violations of the Code or other legal provisions, we take appropriate steps, either significantly reducing the sales volume with the affected supplier or terminating the business relationship entirely.

By virtue of the craftsmen's organization, Vonovia is – in contrast to other companies – significantly less dependent on the offerings of the existing construction firms and therefore in the position to exclude service providers that violate certain sustainability criteria.

Regional Nature of the Supply Chain



Due to the regional nature of the business, Vonovia prefers to cooperate with local and regional suppliers: With few exceptions, nearly 100 % of the suppliers in 2015 were from Germany. In cooperation with central procurement, those ordering the work select the construction companies to be commissioned as suppliers. Direct contact with the companies creates a basis of trust and reliability. Many years of cooperation demonstrate that it is possible to reliably comply with labor and social standards. [G4-EC9](#)

In addition and within the framework of a social charter in the case of portfolio acquisitions in certain municipalities, Vonovia has committed to cooperate with small and medium-sized companies from the region at market prices. This applies primarily to the former GAGFAH portfolios.

Procurement



In the course of its business activities, Vonovia purchases a series of products in large quantities: They include direct materials such as plumbing, electrical and painting supplies as well as floor covers, tiles and thermal insulation systems for the apartments. Furthermore, indirect materials are also procured, such as tools, work uniforms, the vehicle fleet and office equipment. Most of the purchased materials come from the EU.

Vonovia's purchasing function increasingly focuses on the standardization and automation of the procurement process. This is to be achieved through the use of a central e-procurement platform. A uniform supplier evaluation system is also in development. The goal is to have all suppliers from a certain level of criticality for the company evaluated

by local contact points in the Group in order to achieve transparency and to obtain a systematic overview of the performance and development of suppliers.

In different pilot projects, Vonovia is cooperating directly with the manufacturer. Due to the large order quantities, Vonovia is in the position to conclude exclusive framework agreements directly with manufacturers. This enables us to engage in a direct exchange with the manufacturer in view of product characteristics or even the shared development of products. Ultimately, this leads to strengthened quality assurance as well as increased transparency in the supply chain.



Key Figures & Information Navigator



91-96

Key Figures

97-102

GRI Content Index

103

EPRA Sustainability Performance
Measures

Key Figures



This chapter contains additional GRI G4 and EPRA sustainability indicators that are relevant to us from the areas of employees and the environment, which we report on together in order to not disrupt the reading flow in the main chapters.

EMPLOYEE KEY FIGURES

Total number of employees by work contract and gender	Dec. 31, 2015	GRI-G4
Total number of employees	6,368	G4-10
Employees with unlimited contracts	5,596	
of which female	1,357	
Employees with temporary contracts	772	
of which female	381	

Vonovia did not hire any contract workers in 2015. The numbers of employees at Vonovia are not subject to any seasonal variation.

Total number of permanent employees by type of employment and gender	Dec. 31, 2015	GRI-G4
Full-time employees	5,568	G4-10
of which female	1,270	
Part-time employees	800	
of which female	469	

The marginally employed are included in the number of part-time workers.

Personnel turnover	2015	GRI-G4
Newly hired employees	1,230	G4-LA1
Departures	454	
Turnover rate	7.4	

Since Vonovia operates only in Germany, we refrain from providing a regional breakdown of employee figures.

Employees on parental leave	Dec. 31, 2015	GRI-G4
Total number of employees on parental leave	53	G4-LA3
of which female	52	

The return rate for employees on parental leave is very high at Vonovia; almost every employee who has taken parental leave returns to us afterwards.

KEY FIGURES & INFORMATION NAVIGATOR

Employees by category, gender and age group	Dec. 31, 2015	GRI-G4
Total number of employees	6,368	
of which female	1,739	
of which female (in %)	27.3	
of which under 30 years	1,030	
of which under 30 years (in %)	16.2	
of which 30-50 years	3,337	
of which 30-50 years (in %)	52.4	
of which over 50 years	2,001	
of which over 50 years (in %)	31.4	
Employees in craftsmen's organization	2,572	
of which female	180	
of which female (in %)	7.0	
of which under 30 years	494	
of which under 30 years (in %)	19.2	
of which 30-50 years	1535	
of which 30-50 years (in %)	59.7	
of which over 50 years	543	
of which over 50 years (in %)	21,1	
Employees in real estate service	1,649	
of which female	502	
of which female (in %)	30.4	
of which under 30 years	113	
of which under 30 years (in %)	6.9	G4-9 G4-10 G4-LA12
of which 30-50 years	711	
of which 30-50 years (in %)	43.1	
of which over 50 years	825	
of which over 50 years (in %)	50	
Employees in customer service	960	
of which female	554	
of which female (in %)	57.7	
of which under 30 years	244	
of which under 30 years (in %)	25.4	
of which 30-50 years	498	
of which 30-50 years (in %)	51.9	
of which over 50 years	218	
of which over 50 years (in %)	22,7	
Employees in holding company	488	
of which female	242	
of which female (in %)	50.6	
of which under 30 years	65	
of which under 30 years (in %)	13.3	
of which 30-50 years	280	
of which 30-50 years (in %)	57.4	
of which over 50 years	143	
of which over 50 years (in %)	29.3	

KEY FIGURES & INFORMATION NAVIGATOR

Employees in other areas	699	
of which female	261	
of which female (in %)	37.3	
of which under 30 years	114	G4-9 G4-10 G4-LA12
of which under 30 years (in %)	16.3	
of which 30-50 years	313	
of which 30-50 years (in %)	44.8	
of which over 50 years	272	
of which over 50 years (in %)	38.9	

Since Vonovia operates only in Germany, we refrain from providing a regional breakdown of employee figures.

Composition of controlling bodies	Dec. 31, 2015	GRI-G4
Members of the Supervisory Board	12	G4-LA12
of which female	3	
of which female (in %)	25	

Disabled employees	Dec. 31, 2015	GRI-G4
Disabled employees*	232	G4-LA12
Disabled employees (in %)	3.6	
of which employees in craftsmen's organization	55	
of which employees in craftsmen's organization (in %)	2.1	
of which employees in real estate service	109	
of which employees in real estate service (in %)	6.6	
of which employees in customer service	28	
of which employees in customer service (in %)	2.9	
of which employees in holding company	16	
of which employees in holding company (in %)	3.3	
of which employees in other areas	24	
of which employees in other areas (in %)	3.4	

* According to the social law definition for disabled status pursuant to SGB IX Chapter 2

Employee occupational safety	Dec. 31, 2015	GRI-G4
Total number of work and commute-related accidents, total employees	324	G4-LA6
of which commute-related accidents	0	
of which workplace accidents by employees in craftsmen's organization	254	
of which workplace accidents by employees in real estate service	17	
of which workplace accidents by employees in customer service	5	
of which workplace accidents by employees in holding company	15	
of which workplace accidents by employees in other areas	33	
Number of workplace accidents per 1 million working hours	36	
Work-related employee deaths	0	

Since Vonovia operates only in Germany, we refrain from providing a regional breakdown of employee figures. Vonovia does not yet record the accident figures of the employed subcontractors.

ENVIRONMENTAL KEY FIGURES

Key figures	Unit	2015	EPRA	GRI-G4
ENERGY CONSUMPTION BY VONOVIA'S BUSINESS OPERATIONS:				
Total energy consumption	MWh	50,603.4		G4-EN3
Fuel consumption				
Total fuel consumption*	MWh	44,975.2	Fuels-Abs	G4-EN3
Gasoline	MWh	2,156.2		
Diesel	MWh	42,819.0		
Indirect energy				
Total indirect energy**	MWh	5,628.3		
Total electricity consumption	MWh	2,523.0	Elec-Abs	G4-EN3
Total heating systems***	MWh	3,105.3	DH&C-Abs	
Energy intensity**	MWh/m ²	0.3	Energy-Int	G4-EN5 CRE1
Energy sold				
Electricity sold	MWh	72		G4-EN3

* Fuel consumption relates exclusively to the Vonovia vehicle fleet. No fuels from renewable sources were used.

** The consumption of indirect energy and energy intensity relates exclusively to the company headquarters in Bochum.

*** The heating boiler facility of the main administration building is operated by ENGIE Deutschland GmbH. Vonovia purchases the heat using a contracting model.

ENERGY CONSUMPTION IN THE PORTFOLIO:
GENERAL ELECTRICITY AND JOINTLY USED HEATING ENERGY

Direct energy				
Total direct energy	MWh	1,220,685.0		
of which from non-renewable sources	MWh	1,217,685.0	Fuels-Abs	G4-EN3
Natural gas	MWh	1,104,000.0		
Heating oil	MWh	113,685.0		
of which from renewable sources	MWh	3,000.0		
Biogas	MWh	3,000.0		
Electricity and district heating				
Total electricity consumption	MWh	47,100.0	Elec-Abs	G4-EN3
Total district heating	MWh	540.0	DH&C-Abs	

Key figures from Deutsche Annington from 2015 with 1,500 delivery points

KEY FIGURES & INFORMATION NAVIGATOR

Key figures	Unit	2015	EPRA	GRI-G4
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CO₂ EMISSIONS FROM VONOVIA'S BUSINESS OPERATIONS:

CO₂ emissions (Scope 1)				
Total direct CO₂ emissions*	t CO₂	11,974.4		
Gasoline	t CO ₂	567.4	GHG-Dir-Abs	G4-EN15
Diesel	t CO ₂	11,407.0		
CO₂ emissions (Scope 2)				
Total indirect CO₂ emissions**	t CO₂	1,974.7		
From total electricity consumption	t CO ₂	1,349.8	GHG-Indir-Abs	G4-EN16
From total district heating	t CO ₂	624.9		
CO₂ emissions per square meter	t CO₂/m²	0.1	GHG-Int	G4-EN18 CRE3

* Direct CO₂ emissions relate exclusively to the vehicle fleet.

Source of GHG emission factors: German Federal Environment Agency (UBA) 2016; Greenhouse gases included: CO₂

** The indirect CO₂ emissions relate exclusively to the company headquarters in Bochum.

Source of the GHG emission factors: German Federal Environmental Agency (UBA) 2016 and the UK Department of Energy and Climate Change 2015; Greenhouse gases included: CO₂

CO₂ EMISSIONS IN THE PORTFOLIO:

CO₂ emissions (Scope 1)				
Total direct CO₂ emissions*	t CO₂	253,433.0		
of which from non-renewable sources	t CO ₂	252,454.6	GHG-Dir-Abs	G4-EN15
Natural gas	t CO ₂	222,169.0		
Heating oil	t CO ₂	30,285.7		
of which from renewable sources	t CO ₂	978.3		
Biogas	t CO ₂	978.3		
CO₂ emissions (Scope 2)				
Total indirect CO₂ emissions	t CO₂	25,310.6		
From total electricity consumption	t CO ₂	25,198.5	GHG-Indir-Abs	G4-EN16
From total district heating**	t CO ₂	112.1		

* Consolidated consumption of all heating centers.

Source of GHG emission factors: German Federal Environment Agency (UBA) 2016; Greenhouse gases included: CO₂

** Key figures from Deutsche Annington from 2015 with 1,500 delivery points

Source of the GHG emission factors: German Federal Environmental Agency (UBA) 2016 and the UK Department of Energy and Climate Change 2015; Greenhouse gases included: CO₂

WATER AND WASTEWATER

Total water usage*	m³	11,598.0	Water-Abs	G4-EN8
Water intensity of buildings	m³/m²	0.5	Water-Int	CRE2
Total wastewater discharges	m³	9,996.0		G4-EN22

* Water consumption relates exclusively to the company headquarters in Bochum, billing period February 11, 2015, to February 16, 2016. Vonovia obtains water for its headquarters exclusively from the municipal supply. All wastewater is drained into the public sewage system.

KEY FIGURES & INFORMATION NAVIGATOR

Key figures	Unit	2015	EPRA	GRI-G4
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WASTE AND RECYCLING

Non-hazardous waste	t	74,2	Waste-Abs	G4-EN23
Recycling	t	36,8		
Residual waste	t	37,4		

The waste key figures relate exclusively to the company headquarters in Bochum. Hazardous waste is generated during our renovations (see Resource-Conserving Processes chapter). The precise amount is not recorded, however.

BUILDINGS/VONOVIA UNITS ADJACENT TO PROTECTED AREAS

Buildings/units in or adjacent to protected area(s)				
Buildings in nature reserves		0	G4-EN11	
Buildings in national parks		0		
Buildings in bird sanctuaries		0		
Buildings in nature parks		1,904		
Buildings in landscape conservation areas		138		
Buildings in biosphere reserves		77		
Buildings that belong to more than one protected area category:		37		
of which in nature parks and landscape conservation areas		22		
of which in nature parks and biosphere reserves		12		
of which in landscape conservation areas and biosphere reserves		3		

The following protected area categories were analyzed: nature reserves, landscape conservation areas, nature parks, national parks, biosphere reserves and bird sanctuaries. The number of Vonovia buildings that are located in these conservation areas was determined with the help of a geometric analysis in Vonovia's internal geographic information system. The locations of the Vonovia buildings were compared with comprehensive geodata in the individual conservation categories. These geodata were compiled by the German Federal Agency for Nature Conservation.

PROCUREMENT AND SUPPLIER MANAGEMENT

Key figures	2015	GRI-G4
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VONOVIA SUPPLIERS*

Supplier structure			
Number of suppliers		4.050	G4-12 G4-EC9
of which from Germany		4.050	
of which contract partners (minor maintenance work, vacant apartment renovation and construction)		2.500	
of which material suppliers		500	
of which ancillary costs**		800	
of which materials***		250	

* These figures are based on estimates, the precise number of suppliers is not currently available to us.

** Includes everything that was apportioned to the tenant, e.g. staircase illumination or cleaning, disposal costs or similar.

*** Includes e.g., tools, work uniforms, office and business equipment, IT, telecommunications.

GRI Content Index



In the GRI Content Index we report on at least one associated indicator for every issue that has been identified as material in order to make our performance in this area transparent.



GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Brief Description of the Indicator	Page
Strategy and Analysis		
G4-1	Foreword by the Management Board	pp. 2-3
G4-2	Description of key impacts, risks and opportunities	pp. 20-21, p. 41, p. 57
Organizational Profile		
G4-3	Name of the organization	p. 9
G4-4	Primary brands, products and services	p. 8, p. 16
G4-5	Location of the organization's headquarters	p. 9
G4-6	Number and names of the countries where the organization operates	p. 8, p. 10
G4-7	Ownership and legal form	p. 9, p. 12
G4-8	Markets served	p. 8, p. 10
G4-9	Scale of the organization	p. 10, p. 11, p. 92-93
G4-10	Personnel structure	p. 77, p. 78, p. 79, p. 85, pp. 91-93
G4-11	Employees covered by collective bargaining agreements	p. 77
G4-12	Description of the supply chain	p. 88, p. 96
G4-13	Significant changes in the ownership structure of the company during the reporting period	p. 12
G4-14	Precautionary approach	p. 16, Vonovia does not yet comply with the precautionary principle of the UN.
G4-15	Subscription and commitment to external initiatives	p. 29, p. 82
G4-16	Memberships in associations and interest groups	p. 11

KEY FIGURES & INFORMATION NAVIGATOR

General Standard Disclosures	Brief Description of the Indicator	Page
Identified Material Aspects and Boundaries		
G4-17	Entities included in the report	p. 5
G4-18	Process for defining report content	p. 5, p. 22
G4-19	Material aspects of the report	p. 23
G4-20	Aspect boundaries within the organization	p. 23
G4-21	Aspect boundaries outside the organization	p. 23
G4-22	Restatement of information from previous reports	Initial report
G4-23	Changes in aspect boundaries from previous reports	Initial report
Stakeholder Engagement		
G4-24	Stakeholders engaged	pp. 24-25
G4-25	Selection of stakeholders	p. 24
G4-26	Stakeholder engagement	p. 25
G4-27	Stakeholder concerns	pp. 26-27
Report Profile		
G4-28	Reporting period	p. 5
G4-29	Date of publication of the last report	Initial report
G4-30	Reporting cycle	p. 5
G4-31	Contact point	Imprint, p. 104
G4-32	In accordance with the "core" option	p. 5
G4-33	External assurance	p. 5
Governance		
G4-34	Governance structure, including responsibility for sustainability	p. 9, p. 22
Ethics And Integrity		
G4-56	Principles, values and codes of conduct	p. 12, pp. 14-15, p. 29, p. 79

SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Brief Description of the Indicator	Page
CATEGORY: ECONOMIC		
Material Aspect: Economic Performance		
G4-DMA		p. 8-9, pp. 12-13, pp. 16-17
G4-EC1	Economic value generated and distributed	p. 11; AR 2015, p. 150
G4-EC2	Financial implications and other risks and opportunities due to climate change	pp. 20-21
G4-EC3	Coverage of defined benefit plan obligations	AR 2015, p. 191

KEY FIGURES & INFORMATION NAVIGATOR

DMA and Indicators	Brief Description of the Indicator	Page
Material Aspect: Indirect Economic Impacts		
G4-DMA		pp. 38-39, pp. 62-65
G4-EC7	Development and impact of infrastructure investments and services supported	p. 65
G4-EC8	Nature and extent of significant indirect economic impacts	p. 41, p. 46

Material Aspect: Procurement Practices		
G4-DMA		pp. 88-89
G4-EC9	Proportion of spending on local suppliers	p. 89

CATEGORY: ENVIRONMENTAL

Material Aspect: Energy		
G4-DMA		pp. 54-55, pp. 58-60, p. 68, pp. 70-71, pp. 72-73
G4-EN3	Energy consumption within the organization	p. 60, p. 94
G4-EN5	Energy intensity	p. 59, p. 73, p. 94
G4-EN6	Reduction of energy consumption	p. 59, p. 60
G4-EN7	Reductions in energy requirements of products and services	p. 59, p. 60
CRE1	Energy intensity of buildings	p. 59, p. 73, p. 94

Material Aspect: Water		
G4-DMA		p. 60
G4-EN8	Total water withdrawal by source	p. 95
CRE2	Water intensity of buildings	p. 95

Material Aspect: Biodiversity		
G4-DMA		This aspect is currently not evaluated at Vonovia by means of an explicit management approach. Of course, we keep in mind which of our residential buildings are located in, or adjacent to, protected areas and take appropriate actions, if needed.
G4-EN11	Sites in protected areas	p. 96

Material Aspect: Emissions		
G4-DMA		pp. 54-55, pp. 58-60, p. 68, pp. 70-71
G4-EN15	Direct CO ₂ emissions	p. 95
G4-EN16	Indirect CO ₂ emissions	p. 95
G4-EN18	CO ₂ emissions intensity	p. 95
G4-EN19	Reduction of CO ₂ emissions	p. 59
CRE3	CO ₂ emissions of buildings	p. 95

KEY FIGURES & INFORMATION NAVIGATOR

DMA and Indicators	Brief Description of the Indicator	Page
Material Aspect: Effluents and Waste		
G4-DMA		p. 60
G4-EN22	Total water discharge by quality and destination	p. 95
G4-EN23	Total weight of waste by type and disposal method	p. 96
Material Aspect: Products and Services		
G4-DMA		pp. 58-60
G4-EN27	Measures to mitigate the environmental impacts of products and services	p. 59
Material Aspect: Compliance		
G4-DMA		pp. 28-31
G4-EN29	Fines and sanctions for non-compliance with environmental laws and regulations	During the reporting year, no material violations of applicable environmental laws and regulations became known. There were no significant fines or other monetary penalties.
MATERIAL ASPECT: TRANSPORT		
G4-DMA		pp. 70-71
G4-EN30	Significant environmental impacts of transporting products and other goods	p. 71
Material Aspect: Supplier Environmental Assessment		
G4-DMA		We are currently reviewing the introduction of sustainability criteria for the selection of suppliers.
G4-EN33	Significant negative environmental impacts in the supply chain and actions taken	During the reporting period, no significant actual and potential negative environmental impacts in the supply chain became known.
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
Material Aspect: Employment		
G4-DMA		pp. 76-77
G4-LA1	Number and rates of new employee hires; employee turnover by age group, gender and region	p. 79, p. 91
G4-LA3	Retention rates after parental leave	p. 86, p. 91
Material Aspect: Occupational Health and Safety		
G4-DMA		pp. 84-85, p. 87
G4-LA6	Absences caused by illness, injuries and work-related fatalities	p. 87, p. 93
G4-LA7	Workers with a high incidence or high risk of disease	p. 87

KEY FIGURES & INFORMATION NAVIGATOR

DMA and Indicators	Brief Description of the Indicator	Page
Material Aspect: Training and Education		
G4-DMA		pp. 80-81
G4-LA9	Average hours of training per year by employee category	pp. 80-81
G4-LA11	Percentage of employees receiving regular performance reviews by gender and employee category	p. 81
Material Aspect: Diversity and Equal Opportunity		
G4-DMA		pp. 82-83
G4-LA12	Composition of governance bodies and employees by employee category, gender and age group	p. 92, p. 93; AR 2015, p. 64-65
Material Aspect: Supplier Assessment For Labor Practices		
G4-DMA		We are currently reviewing the introduction of sustainability criteria for the selection of suppliers.
G4-LA15	Significant negative impacts on labor practices in the supply chain	During the reporting period, no significant actual and potential impacts on labor practices in the supply chain became known.
SUB-CATEGORY: HUMAN RIGHTS		
Material Aspect: Non-Discrimination		
G4-DMA		pp. 82-83
G4-HR3	Number of incidents of discrimination and actions taken	p. 82
Material Aspect: Supplier Human Rights Assessment		
G4-DMA		We are currently reviewing the introduction of sustainability criteria for the selection of suppliers.
G4-HR11	Significant negative human rights impacts in the supply chain	During the reporting period, no significant actual and potential negative human rights impacts in the supply chain became known.
SUB-CATEGORY: SOCIETY		
Material Aspect: Anti-Corruption		
G4-DMA		pp. 28-31
G4-SO4	Anti-corruption communication and training	p. 30, p. 31
G4-SO5	Confirmed incidents of corruption and actions taken	p. 31
Material Aspect: Public Policy		
G4-DMA		p. 27
G4-SO6	Total value of political contributions	p. 27

KEY FIGURES & INFORMATION NAVIGATOR

DMA and Indicators	Brief Description of the Indicator	Page
Material Aspect: Anti-Competitive Behavior		
G4-DMA		p. 31
G4-SO7	Total number of legal actions for anti-competitive and monopoly practices	p. 31
Material Aspect: Compliance		
G4-DMA		pp. 28-31
G4-SO8	Fines and sanctions for non-compliance with laws and regulations	p. 31
Material Aspect: Supplier Assessment for Impacts on Society		
G4-DMA		We are currently reviewing the introduction of sustainability criteria for the selection of suppliers.
G4-SO10	Significant negative impacts on society in the supply chain	During the reporting period, no significant current and potential impacts on society in the supply chain became known.

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Material Aspect: Customer Health and Safety		
G4-DMA		pp. 48-49
G4-PR2	Incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	p. 31
Material Aspect: Product and Service Labeling		
G4-DMA		pp. 34-37
G4-PR4	Incidents of non-compliance with regulations and voluntary codes concerning product information and labeling	During the reporting year, no significant violations of regulations and voluntary codes concerning product and service information and labeling became known.
G4-PR5	Results of surveys measuring customer satisfaction	p. 36
Material Aspect: Compliance		
G4-DMA		p. 30-31
G4-PR9	Fines for non-compliance with product and service regulations	During the reporting year, there were no major fines for violations of regulations and voluntary codes concerning product and service information and labeling.

EPRA Sustainability Performance Measures



Code	Performance Measure	Unit(s) of measure	Page
Elec-Abs	Total electricity consumption	Annual kWh	p. 94
DH&C-Abs	Total district heating & cooling consumption	Annual kWh	p. 94
Fuels-Abs	Total fuel consumption	Annual kWh	p. 94
Energy-Int	Building energy intensity	kWh/m ²	p. 94
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	Annual metric tonnes CO ₂ e	p. 95
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	Annual metric tonnes CO ₂ e	p. 95
GHG-Int	Greenhouse gas (GHG) intensity from building energy consumption	kg CO ₂ e/m ²	p. 95
Water-Abs	Total water consumption	Annual cubic meters (m ³)	p. 95
Water-Int	Building water intensity	m ³ /m ²	p. 95
Waste-Abs	Total weight of waste by disposal route	Annual metric tonnes	p. 96

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Note

This Sustainability Report is published in German and English. The German version is always the authoritative text. The Annual Report can be found on the website at www.vonovia.de.

Imprint

Published by: The Management Board of Vonovia SE
Concept and Realization: Berichtsmanufaktur GmbH, Hamburg
Consulting: Schlange & Co GmbH, Hamburg
Status: October 2016
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